

**LEO RESOURCES INC.**  
208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

**REVISED INFORMATION CIRCULAR  
GENERAL PROXY INFORMATION**

**PURPOSE OF SOLICITATION**

**THIS INFORMATION CIRCULAR (THE “INFORMATION CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF LEO RESOURCES INC. (“LEO” OR THE “CORPORATION”) FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS (“SHAREHOLDERS”) OF LEO (THE “MEETING”) TO BE HELD ON JUNE 26, 2015 AT 11.00 AM TORONTO TIME, AT THE ALBANY CLUB, 91 KING STREET EAST, TORONTO, ONTARIO, M5C 1G3 AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING (THE “NOTICE OF MEETING”).** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of Leo. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (the “**Common Shares**”) pursuant to the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. The cost of any such solicitation will be borne by Leo.

**VOTING OF PROXIES**

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF LEO, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

**THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF LEO, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, LEO IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF LEO INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.**

Proxies, to be valid, must be deposited at the proxy department of the Registrar and Transfer Agent of Leo, Reliable Stock Transfer Inc., located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5 not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

**APPOINTMENT OF PROXY**

**A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF LEO) OTHER THAN DANIEL WETTREICH AND MARK WETTREICH, THE MANAGEMENT DESIGNEES OF LEO, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING.** Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of Leo, Reliable Stock Transfer Inc., at their proxy department located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

## REVOCATION OF PROXIES

A shareholder of Leo who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of Leo may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

- (a) with the proxy department of Reliable Stock Transfer Inc., located at 208 Queens Quay West, Suite 2506, Toronto, ON M5J 2Y5 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;
- (b) at the registered office of Leo, Suite 2506, 208 Queens Quay West, Toronto, Ontario, Canada, M5J 2Y5, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of Leo personally attending the Meeting and voting his or her shares.

## ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

**The information set forth in this section is of significant importance to many Shareholders of Leo, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of Leo 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 Leo. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services Inc. (“**Broadridge**”). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted at such meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting the Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered shareholder should enter their own names in the blank space

on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of such meeting.

### APPROVAL OF MATTERS

As used herein, “**special resolution**” means a resolution approved by a minimum majority of 66 2/3% of the votes cast by Shareholders at the Meeting and an “**ordinary resolution**” means a resolution approved by a simple majority of 50% plus one vote cast by Shareholders at the Meeting. Unless otherwise noted, approval of matters to be placed before the Meeting is by an ordinary resolution.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Leo is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof 5,247,500 Common Shares are issued and outstanding. The holders of Common Shares of record at the close of business on May 13, 2015 (the “**Record Date**”), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held. The articles (the “**Articles**”) of Leo provide that one person present and representing in person and entitled to vote at the Meeting shall constitute a quorum for the transaction of business at the Meeting.

To the knowledge of the directors and senior officers of Leo, as at the date hereof, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, ten percent (10%) or more of the issued and outstanding Common Shares are the following:

| Name and Municipality of Residence                        | Number of Common Shares Currently Owned <sup>(1)</sup> | Percentage of Outstanding Common Shares |
|---|--|---|
| GreenBank Capital Inc, <sup>(2)</sup><br>British Columbia | 1,346,000  | 25.65%                                  |
| Winston Resources Inc <sup>(2)</sup><br>British Columbia  | 895,900  | 17.07%                                  |
| Daniel Wettreich, Ontario <sup>(3)</sup>                  | 4,849,500  | 92.41%                                  |

(1) Based on public filings or information provided to Leo by the holder, as of the date hereof

(2) Daniel Wettreich is a director and a control person of Winston and GreenBank and accordingly, by his exercise of control or direction of the shares owned by Winston and GreenBank, Mr Wettreich has voting control of 92.41% of the outstanding common shares of Leo

(3) As to 2,607,600 common shares directly, and 1,346,000 common shares indirectly and held by GreenBank, and 895,000 common shares indirectly and held by Winston

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of Leo, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the presentation of the annual financial statements of Leo for the financial year ended July 31, 2014; (ii) the election of directors of Leo to hold office until the next annual meeting of the Shareholders; (iii) the appointment of auditors of Leo, and authorizing the directors to fix the remuneration to be paid to the auditors; (iv) the approval of the Corporation's stock option plan (the “**Leo Stock Option Plan**”) reserving for grant options to acquire up to a maximum of 10% of the issued and outstanding shares of the Corporation calculated at the time of each stock option grant.

#### I. FINANCIAL STATEMENTS

At the Meeting, Shareholders will receive and consider the audited financial statements of the Corporation for the most recently completed financial year ended July 31, 2014, together with the auditors' report thereon.

#### II. ELECTION OF DIRECTORS

The board of directors (the “**Board of Directors**”) of Leo presently consists of four (4) directors, all of whom are elected annually. It is proposed that the number of directors of Leo for the ensuing year be fixed at four (4).

The current directors of Leo shall retire from office at the Meeting, but shall remain in office until the dissolution of the Meeting at which their successors are appointed.

**It is proposed that the persons named below (the “Nominees”) will be nominated for election as directors at the Meeting. IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES OF LEO, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF SAID PERSONS TO THE BOARD OF DIRECTORS, AS APPLICABLE. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the bylaws of Leo.**

The following information relating to the nominees is based on information received by Leo from the Nominees.

| <b>Name and Municipality of Residence of Proposed Nominee, and Proposed Positions with Resulting Issuer</b> | <b>Principal Occupation for Last Five Years and Positions with Other Reporting Issuers</b>   | <b>Director of Leo Since</b> | <b>Common Shares Beneficially Owned, Directly or Indirectly Controlled or Directed</b> |
|---|--|------------------------------|--|
| Daniel Wettreich <sup>(1)</sup><br>Chairman, CEO, CFO and Director<br>Toronto, Ontario                      | CEO of Churchill Venture Capital LP, Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc., , CNRP Mining Inc.  | March 2013                   | 4,849,500  |
| Mark Wettreich<br>Vice President, Corporate Secretary and Director<br>Dallas, Texas, USA                    | Vice President of Churchill Venture Capital LP, Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc., CNRP Mining Inc.   | August 2013                  | NIL  |
| Peter Wanner <sup>(1)</sup><br>Director, Ontario  | Managing Director, IG Aviation Tax Services Inc.; CFO & Director, First National Energy Corp.; CFO & Director Hear At Last Holdings Inc.; Director & President, Scorpio Capital Corp.; Director & CEO, Triumph Ventures II Corp; Director of Winston Resources Inc., Zara Resources Inc., GreenBank Capital Inc., Hadley Mining Inc. | August, 2013                 | NIL  |
| Paul Cullingham <sup>(1)</sup>  | President & CEO, Ubique Minerals Inc., Director of Winston Resources Inc., Zara Resources Inc., Hadley Mining Inc., Director and Vice President of GreenBank Capital Inc.  | March 2014                   | NIL  |

Note: (1) Member of the Audit Committee of Leo

### **Management Team and Board of Directors**

**Daniel Wettreich** is a director and the Chairman, CEO and CFO of Leo Resources Inc. He is also a director and CEO of GreenBank Capital Inc., Zara Resources Inc., Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He has more than 40 years of experience in venture capital, private equity, and management of publicly traded companies. He has been Chairman and CEO of Churchill Venture Capital LP, a Dallas, Texas

private equity business, for more than 20 years. He has been a director of public companies listed on NASDAQ, the American Stock Exchange, the London Stock Exchange, the AIM Market of the London Stock Exchange, and the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. These public companies have been in diverse businesses in internet technologies, oil and gas, retailing, telecommunications, media, and real estate. He has facilitated 13 reverse takeover transactions. He is a graduate of the University of Westminster with a BA in Business.

**Mark Wettreich** is a director and Vice President of Administration and Corporate Secretary of Leo Resources Inc. He is also a director of GreenBank Capital Inc., Zara Resources Inc., Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He is Vice President of Churchill Venture Capital LP. Previously, he was President of European Art Gallery, fine art dealers in London, England, and Dallas, Texas. He is a B.A. graduate of the University of Texas.

**Peter D. Wanner** is a director and member of the Audit Committee of Leo Resources. He is the Managing Director of IG Aviation Tax Services Inc., providing consulting services to the aviation industry. He is also a director of GreenBank Capital Inc., Zara Resources Inc, Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He is a director and CEO of First National Energy Corp, a public company on the OTC in the USA, and has been a director and officer of a number of public companies. Peter received his Certified General Accountant designation in 1981 and after working in public accounting he became VP & Controller of Worldways Canada – then Canada’s third largest airline. He has 25 years of experience in accounting and financial consulting and has worked with companies in Canada, the United States, Mexico, and the United Kingdom.

**Paul Cullingham** is a director and member of the Audit Committee of Leo Resources Inc. He is also a director and Vice President of GreenBank Capital Inc. He is a director of Zara Resources Inc, Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He has been in the investment industry since 1986 specializing in the resource and financial sectors, where he has worked for both large and medium-size Canadian companies, as well as a large Wall Street firm. He is President and CEO of Ubique Minerals Inc, a private exploration company, and of Inside Bay Street an online portal for public company investors. Previously, he was the President and CEO of Celtic Minerals Ltd., a public minerals company.

### **Cease Trade Orders, Bankruptcies, Penalties, and Sanctions**

With the exception of Peter Wanner, no director or executive officer of the Corporation or proposed director of the Corporation is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that:

- (a) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, while the director or executive officer was acting in the capacity as director, chief executive officer or financial officer; or
- (b) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, after the director or executive officer 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.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (c) is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, 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; or

- (d) has, within the 10 years before the date of this 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 director, executive officer or shareholder.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of the Corporation's securities to affect materially the control of the Corporation has been subject to:

- (e) 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
- (f) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Peter Wanner is currently a director of the Corporation. He was an officer and a director of Triumph Ventures II Corporation Inc ("TVII") and resigned on December 9, 2014. TVII was the subject of a cease trade order issued by the British Columbia Securities Commission on December 19, 2014, the Ontario Securities Commission on December 31, 2014 and the Alberta Securities Commission on March 31, 2015, for failing to file a comparative financial statement for its financial year ended July 31, 2014, and a Form 51-102F1 Management's Discussion and Analysis for the period ended July 31, 2014.

### **Personal Bankruptcies**

No proposed director, officer or promoter of the Corporation is, or has, within the ten years preceding the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

### **Conflicts of interest**

Certain of the directors of the Corporation currently, or in the future, may serve as directors of, have significant shareholdings in, or provide professional services to other companies and, to the extent that such other companies may participate in ventures with Leo Resources Inc., the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, a director who has such a conflict must disclose, at a meeting of the board, the nature and extent of his interest to the meeting and abstain from voting for or against the approval of such participation. Conflicts will be subject to the procedures and remedies similar to these provided under the BCBCA.

### **Other Reporting Issuer Experience**

The following table sets forth the names of the directors, officers, and promoters of the Corporation that are, or have been within the last five years, directors, officers, and promoters of other reporting issuers.

| Name of Director, Officer, or Promoter | Name and Jurisdiction of Reporting Issuer   | Name of Trading Market<br>(1)   | Position  | From  | To  |
|--|---|---|---|---|---|
| Daniel Wettreich                       | Zara Resources Inc,<br>GreenBank Capital Inc,<br>Hadley Mining Inc.,<br>Winston Resources Inc.,<br>CNRP Mining Inc.   | CSE<br>CSE<br>CSE<br>CSE<br>CSE   | CEO/Director<br>CEO/Director<br>CEO/Director<br>CEO/Director<br>CEO/Director  | October 2012<br>January 2013<br>November 2012<br>June 2012<br>March 2012  | Present<br>Present<br>Present<br>Present<br>Present   |
| Peter D. Wanner                        | First National Energy Corp.<br>Hear At Last Holdings Inc.<br>Trophy Capital Inc.<br>Ribbon Capital Corp.<br>Scorpio Capital Corp.<br>Triumph Ventures II Corp.<br>Triumph Ventures III Corp.<br>Zara Resources Inc,<br>GreenBank Capital Inc,<br>Hadley Mining Inc.,<br>Winston Resources Inc.,<br>CNRP Mining Inc. | OTCBB<br>PK<br>TSX-V<br>TSX-V<br>TSX-V<br>TSX-V<br>TSX-V<br>CSE<br>CSE<br>CSE<br>CSE<br>CSE | CFO/Director<br>CFO<br>Director<br>Director<br>Director/President<br>CFO/Director<br>CFO/Director<br>Director<br>Director<br>Director<br>Director<br>Director | May 2004<br>July 2006<br>July 2003<br>June 2004<br>Sept. 2004<br>Nov. 2010<br>Aug. 2011<br>December 2012<br>April 2013<br>December 2012<br>January 2013<br>April 2013 | Present<br>Sept 2009<br>March 2004<br>Sept 2006<br>Jan. 2007<br>Dec. 2014<br>Dec. 2013<br>Present<br>Present<br>Present<br>Present<br>Present |
| Paul Cullingham                        | Celtic Minerals Ltd<br>Zara Resources Inc,<br>GreenBank Capital Inc,<br>Hadley Mining Inc.,<br>Winston Resources Inc.,<br>CNRP Mining Inc.  | CSE<br>CSE<br>CSE<br>CSE<br>CSE   | CEO/Director<br>Director<br>VP/Director<br>Director<br>Director<br>Director   | May 2011<br>March 2014<br>March 2014<br>March 2014<br>March 2014<br>March 2014  | March 2012<br>Present<br>Present<br>Present<br>Present<br>Present   |
| Mark Wettreich                         | Zara Resources Inc,<br>GreenBank Capital Inc,<br>Hadley Mining Inc.,<br>WinstonResources Inc.,<br>CNRP Mining Inc.  | CSE<br>CSE<br>CSE<br>CSE<br>CSE   | VP/Director<br>VP/Director<br>VP/Director<br>VP/Director<br>VP/Director   | October 2012<br>April 2013<br>October 2012<br>June 2012<br>February 2013  | Present<br>Present<br>Present<br>Present<br>Present   |

Note:

(1) CSE = Canadian Securities Exchange; OTC-BB = Over the Counter Bulletin Board; and TSXV = TSX Venture Exchange.

### III. APPOINTMENT OF AUDITORS

Abraham Chan LLP, Chartered Accountants, of Toronto, Ontario, have been the auditors of the Corporation since July 1, 2014. It is proposed that Abraham Chan LLP be re-appointed as auditor of the Corporation; to hold office until the next annual meeting of Shareholders of the Corporation at such remuneration as may be determined by the Board of Directors.

**IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY FOR THE APPOINTMENT OF ABRAHAM CHAN LLP AS AUDITORS OF THE CORPORATION AT SUCH REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS, UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE APPOINTMENTS OF AUDITORS.**

#### IV. APPROVAL OF LEO STOCK OPTION PLAN -(THE “PLAN”)

The purpose of the Plan, is to encourage directors, officers and key employees of the Corporation and its subsidiaries and persons providing ongoing services to the Corporation to participate in the growth and development of the Corporation by providing incentive to qualified parties to increase their proprietary interest in the Corporation by permitting them to purchase Common Shares and thereby encouraging their continuing association with the Corporation. The stock options are non-transferable and will expire upon the sooner of the expiry date stipulated in the particular stock option agreement or after a certain period following the date the optionee ceases to be a qualified party by reason of death or termination of employment. A copy of the proposed Plan is attached to this Information Circular as Schedule A.

The Plan provides that the number of Common Shares which may be made the subject of options cannot exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time. Approximately 524,750 Common Shares are available under the Plan. The stock options granted under the Plan together with all of the Corporation's other previously established Plans or grants, shall not result at any time in: (a) the number of Common Shares reserved for issuance pursuant to stock options granted to Insiders exceeding 10% of the issued and outstanding Common Shares; (b) the grant to Insiders within a 12 month period, of a number of stock options exceeding 10% of the outstanding Common Shares; (c) the grant to any one Optionee within a 12-month period, of a number of stock options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite disinterested shareholder approval; (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of stock options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or (e) the grant to any one Consultant, in any twelve-month period, of stock options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

The board of directors determines the price per Common Share and the number of Common Shares that may be allotted to each eligible person and all other terms and conditions of the options, subject to the rules of the CSE, provided however that price per share set by the board of directors must be at least equal to the Discounted Market Price of the Common Shares. “**Discounted Market Price**” means the last per share closing price for the Common Shares on the Exchange before the date of grant of a stock option, less any applicable discount under Exchange Policies. In addition to any resale restrictions under Securities Laws, any stock option granted under the Plan and any Common Shares issued upon the due exercise of any such stock option so granted will be subject to a four-month hold period commencing from the date of grant of the stock option, if the exercise price of the stock option is granted at less than the Market Price. “**Market Price**” means the closing price of the Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant. In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date.

The term of an option shall be not more than 10 years from the date the option is granted. If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in investor relations activities) or prior to the expiry of the exercise period, whichever is earlier, exercise any stock option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the stock option at the date of such cessation. In the event of the death of an Optionee, the stock option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the stock option Period, whichever is earlier, and then only: (a) by the person or persons to whom the Optionee's rights under the stock option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and (b) to the extent that the Optionee was entitled to exercise the stock option at the date of the Optionee's death.

In the event of (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or (b) any change in control of the Corporation, the Plan gives the Corporation the power to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or



continuance of outstanding Options, including to amend any stock option agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction.

Subject to any required approvals under applicable securities legislation or stock exchange rules, the Corporation may amend or modify the Plan or the terms of any option as the board of directors deems necessary or advisable provided that no such amendment shall adversely affect any accrued and vested rights of an optionee or alter or impair any option previously granted to that optionee, without the consent of the optionee (provided such a change would materially prejudice the optionee's rights under the Plan).

At the Meeting, the Shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED THAT:**

1. The current incentive stock option plan of Leo, as described in the Information Circular of Leo (and as may be amended to comply with the policies of the Exchange from time to time), be and is hereby affirmed, ratified and approved; and
2. Any one (1) director or officer of the Leo be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Leo or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

**IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING FOR THE APPROVAL OF THE LEO STOCK OPTION PLAN, UNLESS THE SHAREHOLDER HAS OTHERWISE DIRECTED IN HIS PROXY.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 *Statement of Executive Compensation*, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer and Chief Financial Officer and each of the other three most highly compensated executive officers of the Corporation earning more than CDN\$150,000 in total compensation for the financial year ended July 31, 2014 (the “**Named Executive Officers**” or “**NEO's**”). Based on the foregoing, on an annualized basis, Daniel Wettreich, Chairman of the Board, Chief Executive Officer and Chief Financial Officer is the Corporation's only NEO as at July 31, 2014.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Review Process**

The directors oversee an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Corporation and its Shareholders. The directors review on an annual basis the cash compensation, performance and overall compensation package for each NEO and determines the base management fee, bonus and participation in share compensation arrangements for each NEO. In making its decision, the directors discuss various factors with both Management and peers in the industry in respect of compensation levels for the NEO's.

### **Objectives of the Compensation Plan**

The objectives of the Corporation's compensation program are to attract, hold and inspire performance of members of Management of a quality and nature that will enhance the sustainable growth of the Corporation. To determine compensation payable, the directors review compensation paid for directors and officers of companies of similar business, size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and

NEO's while taking into account the financial and other resources of the Corporation. The annual salaries for NEOs are designed to be comparable to executive compensation packages for similar positions at companies with similar financial, operating and industrial characteristics. The NEOs will be paid an annual salary that also takes into account his or her existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their appointment to their respective officer-ships with the Corporation. Increases in salary are to be evaluated on an individual basis and are performance and market-based. The directors determine and adjust, year to year; the relative weighting of each form of compensation discussed above in a manner which best measures the success of the Corporation and its NEO's.

### **Elements of Executive Compensation**

The Corporation's executive compensation program is based on the objectives of: (a) recruiting and retaining the executives critical to the success of the Corporation; (b) providing fair and competitive compensation; (c) balancing the interests of Management and Shareholders; and (d) rewarding performance, on the basis of both individual and corporate performance.

For the financial year ended July 31, 2014, the Corporation's executive compensation program consisted of the following elements:

- (a) a base management services fee (a **“Short-Term Incentive”**); and
- (b) a long-term equity compensation consisting of stock options granted under the Corporation's stock incentive plan (each, a **“Long-Term Incentive”**).

The specific rationale and design of each of these elements are outlined in detail below.

| <b>ELEMENT OF COMPENSATION</b>   | <b>SUMMARY AND PURPOSE OF ELEMENT</b>   |
|--|---|
| <b>Short-Term Incentive Plan Base Management Services Fee:</b>                       | Executive annual management fees are set at a level that is competitive with compensation for executive officers of peer group companies and having regard to the potential longer term compensation provided by the Option Plan. The Board reviews NEO salaries at least annually. In determining the base management fee to be paid to a particular NEO, the Compensation Committee and Board also considers the particular responsibilities related to the position, the experience level of the NEO, and his or her past performance at the Corporation.  |
| <b>Other Compensation (Perquisites):<br/>Long-Term Incentive Plan Stock Options:</b> | There are currently no other forms of compensation. The granting of options to purchase common shares of the Corporation are designed to encourage the NEOs to own an interest in the Corporation and therefore tie their long-term interests to those of the shareholders of the Corporation. In determining individual grants of options, the Board consider factors such as: the performance and contributions to the success of the Corporation, the relative position of the individual, the years of service of the individual and past grants of options. No specific weightings are assigned to each factor, but rather, a subjective |

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**ELEMENT OF COMPENSATION****SUMMARY AND PURPOSE OF ELEMENT**

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determination is made based on a general assessment of performance of the individual relative to such factors.

**Stock Options**

During the financial year ended July 31, 2014, no stock options were granted to the Named Executive Officer

**Other Long-Term Incentive Plans**

The Corporation does not have any other long-term incentive plans and does not provide retirement benefits to its employees.

**Overview of How the Compensation Program Fits with Compensation Goals****1. Attract, Hold and Inspire Key Talent**

The compensation package meets the goal of attracting, holding and motivating key talent in a highly competitive mineral exploration environment through the following elements:

- (a) A competitive management services compensation program which is generally above similar opportunities.
- (b) Providing an opportunity to participate in the Corporation's growth through options.

**2. Alignment of Interests of NEO's with Interests of the Shareholders**

The compensation package meets the goal of aligning the interests of the NEO's with the interests of Shareholders through the following elements:

- (a) Through the grant of stock options, if the price of the Corporation shares increases over time, both NEO's and Shareholders will benefit.
- (b) By providing a vesting period on stock awards, NEO's have an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

**Summary Compensation Table**

The following table provides information for the three most recently completed financial years ended July 31, 2014, 2013 and 2012 regarding compensation earned by each of the Named Executive Officers of the Corporation. Unless otherwise noted, salaries for the Named Executive Officers are paid in Canadian dollars.

**Financial Years Ended July 31, 2014, 2013, and 2012**

| Name and principal position  | Year | Salary (\$)<br>(1) | Share-based awards (\$) | Option-based awards' (\$) | Non-equity incentive plan compensation (\$) |                           | Pension Value (\$) | Other Compensation (\$) | Total compensation (\$) |
|--|------|--------------------|-------------------------|---------------------------|---|---------------------------|--------------------|-------------------------|-------------------------|
|  |      |                    |                         |                           | Annual incentive plans                      | Long-term incentive plans |                    |                         |                         |
| Daniel Wettreich<br>Chairman of the Board, CEO and Director <sup>(1)</sup> | 2014 | 72,000             | NIL                     | 5,895                     | NIL   | NIL                       | NIL                | NIL                     | 77,895                  |
|  | 2013 | NIL                | NIL                     | NIL                       | NIL   | NIL                       | NIL                | NIL                     | NIL                     |
|  | 2012 | Nil                | NIL                     | Nil                       | NIL   | NIL                       | NIL                | NIL                     | NIL                     |

(1) This represents management fees paid to Sammiri Capital Inc., a private company in which Danny Wettreich is the sole shareholder

**Incentive Plan Awards**

The following table provides information regarding the incentive plan awards for each NEO outstanding as of July 31, 2014.

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

| Name and principal position                          | 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 that have not vested | Market or payout value of share-based awards that have not vested (\$) |
| Daniel Wettreich<br>Chairman<br>CEO, and<br>Director | 150,000   | 0.05                       | May 23, 2019           | \$0  | N/A                                   | N/A  |

Note: \* Based on the closing price of the common shares of the Corporation as quoted by the Canadian Securities Exchange on May 13, 2015

The following table provides information regarding the value vested or earned of incentive plan awards for the financial year ended July 31, 2014.

**Value Vested or Earned During the Financial Year Ended July 31, 2014**

| Name and principal position                        | Option-based awards - Value vested during the year (\$) | Share-based awards - Value vested during the year (\$) | Non-equity incentive plan compensation - Value earned during the year (\$) |
|--|---|--|--|
| Daniel Wettreich<br>Chairman, CEO, and<br>Director | NIL   | NIL  | NIL  |

*Note: These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the option at the assumed exercise date and the exercise or base price of the option under the option-based award on the vest date.*

**Incentive Plan Awards - Narrative Discussion Pension Plan Benefits**

The Corporation does not currently provide pension plan benefits to its Named Executive Officers.

**Termination and Change of Control Benefits**

There are no termination and change of control benefits.

**Director Compensation**

Other than incentive stock options, directors of the Corporation do not receive any compensation for attending meetings of the board of directors or a committee of the board of directors.

**Retirement Policy for Directors**

The Corporation does not have a retirement policy for its directors.

**CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making. The Corporation's common shares trade on the Canadian Securities Exchange ("CSE"), one of Canada's foremost public venture marketplaces. Accordingly, the Board of Directors of the Corporation has carefully considered the Corporate Governance Guidelines (the "**Guidelines**") adopted by the CSE and has complied with the Guidelines. The information required to be disclosed by National Policy 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") is attached to this information circular as **Schedule "B"**.

**AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 -*Audit Committees* (“**NI 52-110**”) to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as disclosed by Form 52-110F2 attached to this Circular as **Schedule “C”**.

The Audit Committee's primary duties and responsibilities are to: (i) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements; (ii) review and appraise the performance of the Corporation's external auditors; and (iii) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors. The Audit Committee reports its deliberations and discussions to the Board and submits to the Board the minutes of its meetings. The Audit Committee consists of Daniel Wettreich, Peter Wanner and Paul Cullingham. All members of the Audit Committee are “financially literate” as that term is defined in NI 52-110 and Messrs Wanner and Cullingham are “independent” as that term is defined in NI 52-110. The Chairman of the Audit Committee, in consultation with the Audit Committee members, determines the schedule and frequency of the Audit Committee meetings.

#### **INDEBTEDNESS OF DIRECTORS, SENIOR OFFICERS AND PROMOTERS OF LEO**

No current or former director, executive officer, promoter or employee of Leo or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries, or to any other entity, where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries. No person who is, or was at any time during the most recently completed financial year of the Corporation, a director, promoter or executive officer of the Corporation or any proposed nominee for election as a director of the Corporation, nor any Associate or Affiliate of any such Person, is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; nor is any such indebtedness of any such person to another entity now, nor has it been at any time in the past, since the beginning of the most recently completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, under a securities purchase program or any other program.

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

Management of Leo is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director, promoter or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as a director of Leo or of the Resulting Issuer, or of any Associate or Affiliate of any such Person, in any matter to be acted upon at the Meeting other than the approval of amendments to the existing Stock Option Agreements and the election of directors. All of the directors and officers may receive options pursuant to the Leo Stock Option Plan. See “Particulars of Matters to be Acted Upon - Approval of Leo Stock Option Plan”.

#### **INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS OF LEO**

Management of Leo is not aware of any material interest, direct or indirect, of any Insider of Leo, any nominee for election as a director of Leo, or any Associate or Affiliate of any such Person, in any transaction that has materially affected or would materially affect Leo.

#### **LEGAL PROCEEDINGS CONCERNING LEO**

Management of Leo is not aware of any material legal proceedings outstanding, pending or threatened as at the date hereof, by or against Leo, which would be material to a purchaser of securities of Leo.

#### **FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS**

Attached hereto as **Schedule “D”** is a copy of the audited combined financial statements for the Corporation for the year ended July 31, 2014, and **Schedule “E”** is a copy of the Management Discussion and Analysis related thereto.

## **BOARD APPROVAL**

This Information Circular has been approved by the directors of the Corporation. Where information contained in this Information Circular rests particularly within the knowledge of a Person other than the Corporation, the Corporation has relied upon information furnished by such Person.

### **Other Business**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

### **ADDITIONAL INFORMATION CONCERNING LEO**

Additional information relating to the Corporation may be found on SEDAR. Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year. Under NI 51-102, any person or company who wishes to receive interim financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation's agent, together with a signed statement that the person or company is the owner of securities of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Corporation's transfer agent, Reliable Stock Transfer Inc., at their proxy department located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5. The Corporation maintains a supplemental mailing list of persons or companies wishing to receive interim financial statements.

### **DIRECTORS' APPROVAL**

The contents and the sending of this Information Circular to the Shareholders of the Corporation have been approved by the Board of Directors. Unless otherwise specified, information contained in this Information Circular is given as of May 13, 2015.

**DATED** at Toronto, Ontario this 13<sup>th</sup> day of May, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "*Daniel Wettreich*"

Daniel Wettreich  
Chairman

**SCHEDULE A  
CORPORATION STOCK OPTION PLAN**

**LEO RESOURCES INC.  
(the “Corporation”)**

**STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation;
- (c) **“Corporation”** means Leo Resources Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the Canadian Securities Exchange or any other stock exchange on which the Common Shares are listed;
- (f) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **“Insider”** has the meaning ascribed thereto in Exchange Policies;
- (h) **“Market Price”** at any date in respect of the Common Shares shall be the closing price of such Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such. Common Shares as determined by the Board of Directors in its sole discretion;
- (i) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;



(j) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

(k) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;

(l) **“Plan”** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;

(m) **“Securities Act”** means the *Securities Act* (Ontario), as amended, or such other successor legislation as may be enacted, from time to time; and

(n) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation “Consultant”, “Disinterested Shareholder Approval”, “Employee”, “Insider”, “Investor Relations Activities” and “Management Company Employee”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

### **3. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

### **4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

### **5. Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

## **6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;
- (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

## **7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “**Stock Option Agreement**”). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## **8. Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “**Expiry Date**”), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulator) authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant].”

## **9. Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than 1/4 of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the “**Withholding Obligations**”).

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

## **10. Withholding Taxes**

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the “**Withholding Amount**”) may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

(i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or

(ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares;

(iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

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

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

#### **12. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

#### **13. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

#### **14. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

(a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or

(b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

## **15. Anti-Dilution of the Option**

In the event of:

(a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

(b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

(c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

## **16. Costs**

The Corporation shall pay all costs of administering the Plan.

## **17. Termination and Amendment**

(a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

(b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

(c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

#### **18. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **19. Effective Date**

This Plan will become effective as of and from June 26<sup>th</sup> 2015

## SCHEDULE B

### FORM 58-101F2 CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Corporation is required and hereby discloses its corporate governance practices as of the date of this Information Circular:

#### 1. Board of Directors

As at May 13, 2015 the board of directors (the “Board”) is comprised of four directors.

Peter D. Wanner and Paul Cullingham, are “independent” (as that term is defined in NI 58-101) directors of the Corporation in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the directors' ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings.

Daniel Wettreich and Mark Wettreich are senior officers of the Corporation, and are therefore not “independent”, as that term is defined in NI 58-101.

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent discussions with management and regular meetings of the Board.

#### 2. Directorships

| Name of Director | Name of Reporting Issuer   |
|------------------|--|
| Daniel Wettreich | Winston Resources Inc. Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc ,Leo Resources Inc., CNRP Mining Inc.                              |
| Mark Wettreich   | Winston Resources Inc. Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc., Leo Resources Inc., CNRP Mining Inc.                             |
| Peter D. Wanner  | Winston Resources Inc. Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc., Leo Resources Inc., CNRP Mining Inc. First National Energy Corp. |
| Paul Cullingham  | Winston Resources Inc. Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc., Leo Resources Inc., CNRP Mining Inc.                             |

#### 3. Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Corporation, technical reports, internal financial information, and management and technical experts and consultants.

#### 4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation'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 Corporation. Under corporate legislation, a director is required to act honestly and in good faith with a view to

the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

## **5. Nomination of Directors**

The Board of Directors is responsible for identifying individuals believed to be qualified to become board members, consistent with criteria approved by the Board, and to nominate to stand for election at the Corporation's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Board shall fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Board of Directors shall take into consideration the opinions of management of the Corporation, the criteria approved by the Board and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members', willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Corporation's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.

## **6. Compensation**

The Board of Directors provide an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Corporation and its shareholders,

## **7. Board Committees**

The Board has established an Audit Committee. The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following areas: (i) the Corporation's external audit function; (ii) internal control and management information systems; (iii) the Corporation's accounting and financial reporting requirements; (iv) the Corporation's compliance with law and regulatory requirements; (v) the Corporation's risks and risk management policies; and (vi) such other functions as are delegated to it by the Board. Specifically, with respect to the Corporation's external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Corporation's financial statements; (ii) the independent auditors' qualifications; and (iii) the performance of the Corporation's independent auditors.

The Audit Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- (b) review and appraise the performance of the Corporation's external auditors; and
- (c) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

The Audit Committee reports its deliberations and discussions regularly to the Board and submits to the Board the minutes of its meetings.



**SCHEDULE “C”  
FORM 52-110F2 AUDIT COMMITTEE DISCLOSURE**

**1. The Audit Committee's Charter**

The Corporation's Audit Committee Charter is attached hereto as Exhibit 1.

**2. Composition of the Audit Committee**

The audit committee of the Corporation (the “**Audit Committee**”) consists of as many members as the board of directors (the “**Board**”) shall determine, but in any event not fewer than three (3) members who are appointed by the Board. The composition of the Audit Committee shall meet all applicable independence, financial literacy and other legal and regulatory requirements. The majority of the members of the Audit Committee shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee, and at least one (1) member shall have “accounting or related financial experience”. For the purposes of the Audit Committee's terms of reference, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The Board has appointed Daniel Wettreich, Peter D. Wanner and Paul Cullingham as members of the Audit Committee. All members of the Audit Committee are “financially literate” as that term is defined in National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) and Peter D. Wanner and Paul Cullingham are “independent” as that term is defined in NI 52-110.

**3. Relevant Education and Experience**

| Name             | Independent<br>of the<br>Corporation | Financially<br>Literate | Relevant Education and Experience  |
|------------------|--------------------------------------|-------------------------|--|
| Daniel Wettreich | No                                   | Yes                     | Daniel Wettreich is a director and the Chairman, CEO and CFO of Leo Resources Inc. He is also a director of GreenBank Capital Inc., Zara Resources Inc, Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He has more than 40 years’ experience in venture capital, private equity, and management of publicly traded companies. He has been Chairman and CEO of Churchill Venture Capital LP, a Dallas, Texas private equity business, for more than 20 years. He has been a director of public companies listed on NASDAQ, the American Stock Exchange, the London Stock Exchange, the AIM Market of the London Stock Exchange, and the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. These public companies have been in diverse businesses in internet technologies, oil and gas, retailing, telecommunications, media, and real estate. He has facilitated 13 reverse takeover transactions. He is a graduate of the University of Westminster with a BA in Business. |

| Name            | Independent of the Corporation | Financially Literate | Relevant Education and Experience   |
|-----------------|--------------------------------|----------------------|---|
| Peter D. Wanner | Yes                            | Yes                  | Peter D. Wanner is a director and member of the Audit Committee of Leo Resources. He is the Managing Director of IG Aviation Tax Services Inc., providing consulting services to the aviation industry. He is also a director of GreenBank Capital Inc., Zara Resources Inc, Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He is a director and CEO of First National Energy Corp, a public company on the OTC in the USA, and has been a director and officer of a number of public companies. Peter received his Certified General Accountant designation in 1981 and after working in public accounting he became VP & Controller of Worldways Canada – then Canada’s third largest airline. He has 25 years of experience in accounting and financial consulting and has worked with companies in Canada, the United States, Mexico, and the United Kingdom. |
| Paul Cullingham | Yes                            | Yes                  | Paul Cullingham is a director and member of the Audit Committee of Leo Resources Inc. He has been in the investment industry since 1986 specializing in the resource and financial sectors, where he has worked for both large and medium-size Canadian companies, as well as a large Wall Street firm. He is also a director of GreenBank Capital Inc., Zara Resources Inc, Hadley Mining Inc., CNRP Mining Inc., and Winston Resources Inc. He is President and CEO of Ubique Minerals, a private exploration company. Paul was the President and CEO of Celtic Minerals Ltd., a public minerals company.   |

### **Audit Committee Oversight**

The Audit Committee has not made a recommendation to the Board of Directors to nominate or compensate an external auditor that has not been adopted by the Board.

#### **4. Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in Section 2.4 (*De Minimis Non-audit Services*) or Section 8 (*Exemptions*) 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 five percent (5%) of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 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.

#### **5. Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

## 6. External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by the external auditors for last two fiscal years are estimated as follows:

| Nature of Services | Fees Paid to Auditor in Year-ended July 31,2014 | Fees Paid to Auditor in Year-ended July 31, 2013 |
|--------------------|---|--|
| Audit Fees         | \$10,000  | \$15,000   |
| Audit-Related Fees | \$5,000   | \$5,000  |
| Tax Fees           | -   | \$5,000  |
| All Other Fees     | -   | \$10,000   |
| <b>Total</b>       | <b>\$15,000</b>                                 | <b>\$35,000</b>                                  |

**Notes:**

*“Audit Fees” include fees necessary to perform the annual audit and any quarterly reviews of the Corporation’s financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.*

*“Audit-Related Fees” include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and that are not included in “Audit Fees”.*

*“Tax Fees” include fees for professional services rendered by the Corporation’s auditors for tax compliance, tax advice and tax planning.*

*“All Other Fees” include fees for products and services provided by the Corporation’s auditors other than the services included in “Audit Fees”, “Audit-Related Fees” and “Tax Fees”.*

## 7. Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**Exhibit “1”  
Audit Committee Charter**

**Mandate**

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control systems and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

**Composition**

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

**Meetings**

The Audit Committee shall meet frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the external auditors.

**Responsibilities and Duties**

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

**Documents/Reports Review**

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
3. Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

### **External Auditors**

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
5. Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
9. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (c) such services are promptly brought to the attention of the Audit Committee by the Corporation and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

### **Financial Reporting Processes**

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.

4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
9. Review certification process.
10. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**Other**

Review any related-party transactions.

**SCHEDULE D**

**FINANCIAL STATEMENTS**

**Leo Resources Inc. (as at July 31, 2014)**

**- attached hereto -**

**SCHEDULE E**  
**MANAGEMENT DISCUSSION & INFORMATION**

**Leo Resources Inc. (as at July 31, 2014)**

**- attached hereto -**