



NOTICE OF ANNUAL MEETING
to be held on June 26, 2014

- and -

MANAGEMENT INFORMATION CIRCULAR

As of May 22, 2014



AQUILA RESOURCES INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 26, 2014**

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the shareholders of GT Aquila Resources Inc. (“Aquila” or the “Corporation”) will be held at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario on Thursday, June 26, 2014 at 11:00 a.m. (Toronto time), for the following purposes:

1. To elect the Directors of the Corporation for the ensuing year;
2. To appoint an auditor for the ensuing year and to authorize the Directors to fix the auditor’s remuneration;
3. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Management Information Circular. The Information Circular is deemed to form part of this notice of meeting. Please read the Management Information Circular carefully before you vote on the matters being transacted at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed or faxed so as to reach or be deposited with the Corporation’s transfer agent, TransCanada Transfer, not later than forty eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

DATED this 22nd day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Barry Hildred”
Barry Hildred
CEO and Director



**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 26, 2014**

MANAGEMENT INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT MAY 22, 2014.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by Management and the Directors of **AQUILA RESOURCES INC.** (the “**Corporation**”) for use at the annual meeting of the shareholders of the Corporation (the “**Meeting**”) to be held at the offices of Goodmans LLP, Bay Adelaide Centre, 333 Bay St., Suite 3400, Toronto, ON M5H 2S7 at eleven o’clock (11:00) in the morning (Eastern Daylight Time) on June 26, 2014 and at any adjournment or adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). The solicitation of proxies, if any, will be made primarily by mail and may be supplemented by telephone or other personal contact by the Directors, Officers and employees of the Corporation. Directors, Officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding Common Shares of the Corporation (“**Common Shares**”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of the solicitation will be borne directly by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Non-Registered Shareholders

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the “Meeting Materials”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Management Information Circular are Directors and/or Officers of the Corporation. A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Trans Canada Transfer Inc. in time for use at the Meeting in the manner specified in the Notice of Meeting.

A registered shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Corporation, at 50 Richmond St. E., Suite 300 Toronto, ON M5C 1N7, at any time prior to 5:00 p.m. (Toronto time) on June 24, 2014 or any adjournment thereof, (ii) with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1, at any time prior to 5:00 p.m. (Toronto time) on June 24, 2014 or any adjournment thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created

or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney of the shareholder of the Corporation authorized in writing or, if the shareholder of the Corporation is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

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

None of the Directors or Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors, the matters set out under the heading "Particulars of Other Matters to be Acted On", and as otherwise disclosed herein.

CURRENCY AND EFFECTIVE DATE OF INFORMATION

The information contained in this Management Information Circular is current to May 22, 2014. Accordingly and where applicable, the disclosure contained herein reflects the impact of events that took place subsequent to the fiscal year-ended December 31, 2013. In large part, the principal changes year-over-year are the result of a series of previously disclosed transactions and a statutory plan of arrangement to which the Corporation, REBgold Corporation and their respective shareholders were parties, (collectively "The Transactions") that were completed on January 16, 2014.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 183,201,174 fully paid and non-assessable Common Shares of the Corporation outstanding as of the date hereof. Each common share carries the right to one (1) vote per share. Each holder of outstanding Common Shares of

record at the time of close of business on May 16, 2014 (the “record date”) will be given notice of the Meeting and will be entitled to vote at the Meeting the number of Common Shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his Common Shares and the transferee demands, not later than 10 days before the Meeting, that the transferee’s name be included on the list of shareholders entitled to vote at the Meeting and establishes to the Corporation that he owns such shares in which case the transferee is entitled to vote his Common Shares at the Meeting.

To the knowledge of the Directors and Senior Officers of the Corporation, only the following person beneficially owns, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation which have the right to vote in all circumstances.

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned
HudBay Minerals Inc. Toronto, Canada	Both Direct and Indirect	33,598,334	18.3%
Baker Steel Capital Managers LLP London, UK	Indirect	45,483,886	24.8%

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Corporation as amended provide that the Board of Directors of the Corporation shall consist of a minimum of one (1) and a maximum of nine (9) directors. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected unless, prior thereto, he resigns or his office becomes vacant by death or other cause.

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name and Position with the Corporation	Principal Occupation	Director Since	Number of Common Shares⁽¹⁾ beneficially owned, directly or indirectly, or over which control or direction has been exercised as of the date hereof.
Mark A. Burridge, Board Chair & Director	From 2011 until 2014, Chair and interim CEO of REBgold Corporation. Prior to 2009, CEO of Cambridge Mining Plc.	2014	828,000 ⁽³⁾
Peter M.D. Bradshaw Director	Chairman of First Point Minerals Corp.	2006	500,000
Stephen Fabian Director	CEO, Brazil Tungsten Ltd., Director of REBgold Corp., Kinco Copper Limited and South American Ferro Metals Ltd.	2014	504,143
Barry Hildred, CEO & Director	Principal at Level 2 Advisors, Chairman of Aldridge Minerals, prior to 2009 President of TMX Equicom	2013	2,417,210
Edward J. Munden Director	Director, Capital House Corporation, a private investment company	2001	516,612
Peter Secker Director	President and CEO, Canada Lithium Corp., Director of REBgold Corp.	2014	20,000
Ed Guimaraes ⁽²⁾ Director	Independent business consultant and director of Orvana Minerals Corp., Nuinsco Resources Limited, Aldridge Minerals Inc., Giyani Gold Corp. and Karmin Exploration Inc. Previously served as Chief Financial Officer of Aur Resources Inc.	Incoming	0

- (1) The information as to shares beneficially owned is not within the knowledge of the Corporation and has therefore been furnished by Directors individually.
- (2) If elected at the Meeting, the Board has agreed to nominate Mr. Guimaraes as incoming Chair of the Audit Committee.
- (3) This total is comprised of 828,000 Common Shares and a convertible debenture with a principal amount of \$10,000 which, in certain predetermined circumstances, provides for the mandatory conversion of the principal amount to Common Shares at the rate of \$1.00 per Common Share for a total possible issue of 10,000 Common Shares.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Corporation. As at the date hereof, the Board expects to re-nominate the sitting members of each Committee, unless otherwise indicated.

No proposed Director of the Corporation is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed Director of the Corporation 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 proposed director.

The above information was provided by management of the Corporation.

Appointment and Remuneration of Auditors

Management of the Corporation is proposing to appoint Collins Barrow Toronto LLP, Chartered Accountants, as auditors of the Corporation for the current fiscal year. Collin Barrow Toronto LLP was first appointed the auditor of the Corporation on November 9, 2011.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF APPOINTING COLLINS BARROW LLP, CHARTERED ACCOUNTANTS, AS THE AUDITORS OF THE CORPORATION FOR THE CURRENT FISCAL YEAR AND AUTHORIZING THE BOARD TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING ON SUCH RESOLUTION.

Other Business

The Corporation knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the notice of meeting.

EXECUTIVE COMPENSATION

Definitions

In this section:

“CEO” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The Corporation's Board of Directors, through the Nomination and Compensation Committee, is responsible for the compensation program for the Corporation's NEOs.

The compensation program's objectives are:

- (a) to attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future exploration assets, thereby creating shareholder value; and
- (b) to provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation's NEOs consists of the following:

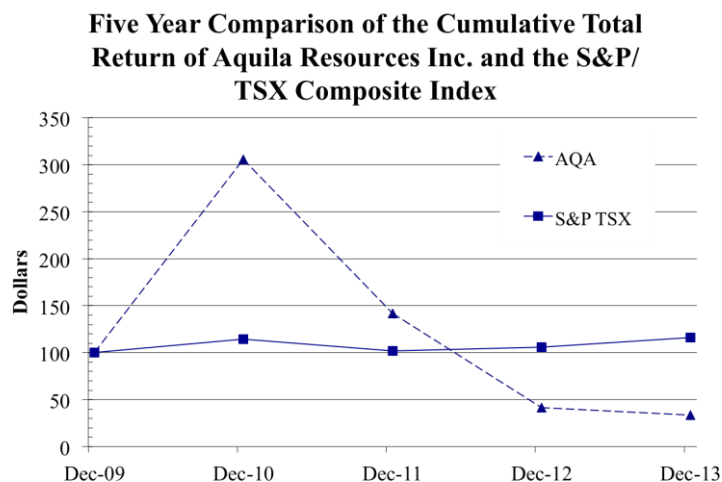
- (a) a base salary (for certain NEOs); and
- (b) long term incentive in the form of incentive stock options.
- (c) other compensation granted at the discretion of the board.

The Corporation does not provide the NEOs with any personal benefits other than contained herein, nor does the Corporation provide any additional compensation to its NEOs for serving as Directors of the Corporation, other than the granting to them from time to time of incentive stock options under the Corporation's stock option plan.

The Nomination and Compensation Committee, with the approval of the Board as a whole, determines the level of compensation in respect of the Corporation's senior executives. Given the early-stage status of the Corporation, the Board has relied on the directors' significant collective experience and discussion to determine compensation parameters for all NEOs. In setting compensation for the NEOs, reference was also made by the Board to executive compensation disclosed by similarly situated companies to ensure that overall compensation is consistent with market norms and consideration was given to the Corporation's working capital requirements. A pension plan benefit is in place for employees of a U.S subsidiary of the Corporation, however, none of the NEOs receive such benefits. None of the NEOs, senior officers or directors of the Corporation is indebted to the Corporation.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder's return on the Corporation's shares against the cumulative total return of the S&P/TSX Composite Index for the period from December 31, 2009 to December 31, 2013. Returns were calculated on the basis of a \$100 investment made as at December 31, 2009.



Option-Based Awards

The Corporation has a stock option plan for the purpose of attracting and motivating directors, officers, employees and service providers of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the plan to purchase Common Shares.

As part of the Transactions and in order to ensure that the existing directors, officers, employees and service of the Corporation remained appropriately motivated to continue to provide services to the Corporation and to increase shareholder value, the Corporation entered into agreements with certain option holders pursuant to which all of their existing options were cancelled and replaced with newly granted options effective January 16, 2014. Accordingly, effective January 16, 2014, certain options granted and outstanding under the plan were surrendered in consideration of these newly granted options. Similarly, on completion of the Transactions, certain directors, officers, employees and service providers to REBgold, became directors, officers, employees and service providers the Corporation. In order to similarly incentivize these new persons, the Corporation granted these individuals options on the same terms as those granted to the Corporation's existing directors, officers, employees and service providers. These additional new grants were also effective January 16, 2014.

Summary Compensation Table

The following table presented in accordance with National Instrument Form 51-102F6 ("Statement of Executive Compensation") sets forth all annual and long term compensation for services in all capacities to the Corporation in respect of each NEO both as at December 31, 2013 and brought forward to the date hereof to reflect the changes to NEO compensation following completion of the Transactions. All values are in Canadian dollars.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Barry Hildred, Chief Executive Officer ⁽³⁾	2014	250,000 ⁽⁴⁾⁽¹²⁾	52,000 ⁽⁵⁾	500,000 ⁽⁶⁾	Nil	Nil	Nil	50,000 ⁽⁷⁾	See Note 12
	2013	190,000 ⁽¹⁰⁾	Nil	21,050 ⁽¹⁰⁾	Nil	Nil	Nil	Nil ⁽¹⁰⁾	211,050
Robin Dunbar, Chief Financial Officer ⁽¹⁾ (departed)	2013	38,400	Nil	Nil	Nil	Nil	Nil	Nil	38,400
	2012	66,973	Nil	Nil	Nil	Nil	Nil	Nil	66,973
	2011	65,137	Nil	257,151	Nil	Nil	Nil	Nil	322,288
Louis Nagy, Chief Financial Officer	2014	75,000 ⁽⁸⁾	13,000 ⁽⁹⁾	40,000 ⁽⁹⁾	Nil	Nil	Nil	5,000 ⁽⁹⁾	See Note 12
Coen Louwarts Vice-President Corporate Development	2014	180,000 ⁽¹¹⁾	13,000 ⁽¹¹⁾	100,000 ⁽¹¹⁾	Nil	Nil	Nil	Nil	See Note 12

- (1) All payments in respect of Mr. Dunbar's services as CFO were paid to 1222989 Ontario Limited, a company controlled by Mr. Dunbar.
- (2) The amounts in this column represent the fair value of stock options, which is estimated on the date of the grant using a Black-Scholes option-pricing model.
- (3) Mr. Hildred's services as CEO are provided pursuant to an agreement between the Corporation and Red Roof Capital Inc. ("Red Roof"), a corporation that is wholly owned by Mr. Hildred.
- (4) On January 16, 2014, the Corporation and Red Roof amended the agreement described below at note #10, to *inter alia* provide for an annual base fee of \$250,000 per year, payable entirely in cash.
- (5) On January 16, 2014, the Corporation issued 400,000 Common Shares at a price of \$0.13 per share to Red Roof as partial compensation for Mr. Hildred's role in facilitating completion of the Transactions.
- (6) On January 16, 2014, Red Roof surrendered one million options previously granted to it and was issued five million new options which permit Red Roof to acquire Common Shares at a price of \$0.15 per share.

- (7) On January 16, 2014, Red Roof received a cash payment of \$50,000 as partial compensation for Mr. Hildred's role in facilitating completion of the Transactions.
- (8) Effective January 16, 2014, Mr. Nagy was appointed as the CFO of the Corporation at an annual base fee of \$75,000. Mr. Nagy's services as CFO are on a non-exclusive basis and provided by Your CFO Ltd., a corporation that is wholly owned by Mr. Nagy.
- (9) On January 16, 2014, the Corporation made a cash payment of \$5,000 to Your CFO Ltd., issued it 100,000 Common Shares at a price of \$0.13 per share, and granted it an aggregate of 400,000 options to acquire Common Shares at a price of \$0.15 per share. This payment along with the issue of Common Shares and grant of options were provided to Your CFO Ltd. (i) in satisfaction of certain deferred salary and outstanding fees (ii) compensation for Mr. Nagy's role in facilitating completion of the Transactions and (iii) in accordance with the terms of his overall compensation as the Corporation's incoming Chief Financial Officer.
- (10) On March 18, 2013, the Corporation entered into a consulting agreement with Red Roof for the provision of the services of Barry Hildred as CEO. Under this agreement, Red Roof was paid \$20,000 per month, of which 50% was paid in cash and 50% was settled by the issuance of Common Shares. Accordingly, in 2013, a total of 908,937 Common Shares with an aggregate value of \$95,000 and an average issue price of \$0.085 were issued to Red Roof along with fees of \$95,000 pursuant this agreement. Further, Red Roof was granted one million incentive options exercisable at \$0.15 per Common Share and vesting over a three-year period.
- (11) On January 16, 2014, the Corporation and Mr. Louwarts entered into a preliminary services agreement pursuant to which Mr. Louwarts became the Corporation's Vice President Corporate Development at an annual base fee of \$15,000 per month. In accordance with this agreement, the Corporation issued Mr. Louwarts 100,000 Common Shares at a price of \$0.13 per share and granted him an aggregate of 1,000,000 options, which permit him to acquire Common Shares at a price of \$0.15 per share. These shares and options were provided to Mr. Louwarts (i) as compensation for his role in facilitating completion of the Transactions and (ii) in accordance with the terms of his overall compensation as the Corporation's incoming Vice President Corporate Development.
- (12) Full year compensation is not yet available for 2014 fiscal year.

Summary Compensation - Narrative Discussion

For the year-ended December 31, 2013, Mr. Dunbar, through a wholly-owned services company, provided his services as CFO on a non-exclusive basis at the rate of \$3,200 per month. At the conclusion of the Transactions, this services agreement was terminated effective January 16, 2014 and Mr. Dunbar was retained as a consultant for a fixed two-year term ending January 16, 2016, at the rate of \$3000 per month.

Current NEOs

The NEOs provide their services pursuant to the terms of preliminary agreements that were entered into at or about the time that the Transactions were completed. The Corporation has initiated a process to enhance and clarify the terms of these agreements, which all parties expect to be completed by the close of the second quarter of 2014.

The Corporation entered into a consulting agreement (the "Consulting Agreement") with Red Roof dated as of March 18, 2013 under which Red Roof agreed to provide the services of Barry Hildred as the CEO of the Corporation. The Corporation agreed to pay Red Roof the sum of \$240,000 per year (the "Consulting Fee") and reimbursement for the cost of medical benefit insurance until such time as such benefits are provided by the Corporation directly, as well as meal, entertainment and travel expenses. The Consulting Fee was payable 50% in cash and 50% in kind by the issuance of Common Shares of the Corporation in accordance with all regulatory requirements. For the year-ended December 31, 2013, the Corporation paid an aggregate of \$95,000 in cash and issued a total of 908,937 Common Shares with an average issue price of \$0.085 per share in satisfaction of the aggregate Consulting Fee charged by Red Roof for the provision of Mr. Hildred's services as CEO. Effective January 16, 2014, the Consulting Fee was amended by removing the ability of the Corporation to pay any portion thereof in shares without the consent of Red Roof. The term of the Consulting Agreement is for an indefinite term and, subject to the notice and termination provisions that are described below in the section titled "*Termination and Change of Control Benefits*", the Corporation may terminate the Consulting Agreement at any time. As a short-term incentive, the Consulting Agreement gives the Board the ability to declare an annual cash bonus of up to 50% of the Consulting Fee. The award of this bonus is (i) at the discretion of the Board, (ii) tied to the achievement of milestones that the Board believes will result in material shareholder value and (iii) payment of the bonus may be deferred depending on the availability of sufficient working capital to satisfy the bonus without causing undue detriment to the Corporation. In 2013, no bonus was paid. As at the date of this MIC, the award of the bonus remains fully at the discretion of the Board and the identification of milestones which, if achieved will trigger Mr. Hildred's entitlement to a bonus, is in progress. In order to provide a long-term incentive which effectively aligns Mr. Hildred's interests with those of shareholders, in 2013, the Corporation granted Mr. Hildred 1,000,000 incentive options exercisable at \$0.15 per Common Share and vesting over a three year period. As noted above, these options were surrendered on January 16, 2014 and replaced by 5,000,000 new incentive options exercisable at \$0.15 per Common Share. The grant of options to Mr. Hildred was made to provide him with a long term incentive to continue execution of the Corporation's strategic plan (the "Strategic Plan"). The first phase of the Strategic Plan was executed successfully with the completion of the Plan of Arrangement, which the Corporation believes was essential for the continued development of the Back Forty project and realization of value from its other assets. The next phase of the Strategic Plan will focus on the development and selection of the optimal development path for the Back Forty project and a small scale exploration program.

On January 16, 2014, Mr. Louis Nagy, formerly the Chief Financial Officer of REBgold Corporation, a party to the Transactions, was appointed as Chief Financial Officer of the Corporation. Mr. Nagy's services as CFO are provided pursuant to a preliminary agreement with an indefinite term between each of the Corporation, Your CFO Ltd. and Mr. Nagy. Pursuant to this agreement, Mr. Nagy provides services to the Corporation on a non-exclusive basis and the Corporation pays an annual fee of \$75,000 for such services. The agreement also provides that if the Corporation requires additional services from Mr. Nagy, such additional services will be compensated on a *pro rata* basis in accordance with a pre-approved and mutually acceptable budget.

On January 16, 2014, Mr. Coen Louwarts, formerly the Vice President Corporate Development of REBgold Corporation, a party to the Transactions, was appointed as Vice President Corporate Development of the Corporation. Mr. Louwarts' services are provided pursuant to a preliminary agreement with an indefinite term. Pursuant to this agreement, Mr. Louwarts provides services to the Corporation on a non-exclusive basis and the Corporation pays an annual fee of \$180,000 for such services. This agreement also provides certain additional benefits related to relocation costs and extended severance should Mr. Louwarts relocate to Toronto, Canada and assume employment at the Corporation's head office. The opportunity for Mr. Louwarts to relocate would only arise following receipt by the Corporation of the requisite financing to fund development of the Back Forty project.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all option awards for each NEO outstanding at the end of the Corporation's financial year ended December 31, 2013, which, as noted above, were surrendered on January 16, 2014. The table therefore also discloses the particulars of the option awards that were made on January 16, 2014 (i) to replace options that were surrendered; and (ii) to incoming NEOs. The Corporation does not have a formal share-based compensation plan or other non-option, equity-based compensation program.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities underlying unexercised options ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Robin Dunbar CFO (departed)	2013 – 725,000 2014 – 400,000	See Note 2 \$0.15	Surrendered January 16, 2019	Nil Nil	Nil Nil	Nil Nil
Barry Hildred Chief Executive Officer	2013 - 1,000,000 2014 – 5,000,000	0.15 0.15	Surrendered January 16, 2019	Nil Nil	Nil Nil	Nil Nil
Lou Nagy Chief Financial Officer	2014 – 400,000	0.15	January 16, 2019	Nil	Nil	Nil
Coen Louwarts Vice-President Corporate Development	2014 – 1,000,000	0.15	January 16, 2019	Nil	Nil	Nil

(1) All options are for Common Shares.

(2) Mr. Dunbar's historical option holdings are as follows:

No. of options / exercise price / expiry

125,000 / \$0.15 / March 2, 2014

150,000 / \$0.25 / November 10, 2014

300,000 / \$0.90 / February 2, 2016

150,000 / \$0.15 / July 22, 2018

Note – all of the above options were surrendered on January 16, 2014

Incentive Plan Awards

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2013 and as of the date hereof. **The Corporation does not have a share-based or other non-equity incentive plan so tabular disclosure thereof has been omitted.**

Name	Option-based awards - Value vested (\$)
Robin Dunbar CFO (departed)	Nil
Barry Hildred Chief Executive Officer	Nil
Lou Nagy Chief Financial Officer	Nil
Coen Louwarts Vice-President Corporate Development	Nil

Incentive Plan Awards - Narrative Discussion

All options granted by the Corporation have an exercise price at or above the closing price of the Common Shares on the day prior to the date of grant. There were no re-pricings of stock options or otherwise during or subsequent to the Corporation's completed financial year ended December 31, 2013. The total number of options to purchase Common Shares that were/are outstanding at December 31, 2013 was 5,400,000 and 14,310,000.

Pension Plan Benefits

A staff pension plan is in place for employees of a U.S. subsidiary in which the President participates. The plan will match 3% of annual salary.

The Corporation does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

For the year-ended December 31, 2013, Mr. Dunbar, through a wholly-owned services company, provided his services as CFO on a non-exclusive basis at the rate of \$3,200 per month. At the conclusion of the Transactions, this services agreement was terminated by mutual agreement of the parties and, in satisfaction of Mr. Dunbar's entitlement to certain termination and change of control benefits, effective January 16, 2014, the Corporation retained Mr. Dunbar as a consultant for a fixed two-year term ending January 16, 2016, at the rate of \$3000 per month.

As noted above, the Corporation has initiated a process to enhance and clarify the terms of the service agreements with each NEO. This process includes final delineation of all applicable termination and change of control benefits.

Director Compensation

Overview

The Corporation has no pension plan or other arrangement for non-cash compensation for its Directors who are not NEOs, except incentive stock options. The Board approved a new Director compensation arrangement effective

January 16, 2014. This new arrangement provides each director with an annual base fee of \$12,000. Directors who assume the chair of a Board committee (other than the Audit committee) receive an additional \$5,000 per year and the chair of the Audit committee receives an additional fee of \$10,000 per year. The Corporation also reimburses all reasonable expenses incurred by Directors in respect of their duties. Mark Burrige, assumed the role of Board Chair immediately following the completion of the Transactions. As Chair of the Board, Mr. Burrige receives an annual fee of \$100,800 for the provision of his services on a non-exclusive basis. The fee paid to Mr. Burrige includes a contribution to the overhead incurred by Mr. Burrige in the execution of his duties. The Board has determined that Director compensation should be reviewed periodically as the Corporation continues to execute its Strategic Plan and has reserved the right to adjust fees in order to fairly compensate Directors for the actual workload demanded of them.

For Year-Ended December 31, 2013 and Prior

During the Corporation's completed financial year ended December 31, 2013, no options were granted to Directors who are not NEOs. The following table shows: (i) options held by non-NEO Directors at the 2013 year-end that were issued in years prior to 2013 and surrendered on January 16, 2014; and (ii) new options issued to existing and incoming Directors on January 16, 2014.

Options Granted Prior to 2013 and Surrendered on January 16, 2014			
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Peter M. D. Bradshaw	250,000	0.15	Mar. 2, 2014
	100,000	0.25	Nov. 10, 2014
	200,000	0.90	Feb. 2, 2016
Edward J. Munden	200,000	0.15	Mar. 2, 2014
	100,000	0.25	Nov. 10, 2014
	200,000	0.90	Feb. 2, 2016

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New Options Granted on January 16, 2014⁽¹⁾			
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Peter M. D. Bradshaw	400,000	0.15	January 16, 2019
Edward J. Munden	400,000	0.15	January 16, 2019
Mark Burridge	2,500,000	0.15	January 16, 2019
Peter Secker	400,000	0.15	January 16, 2019
Stephen Fabian	400,000	0.15	January 16, 2019
Ed Guimaraes	500,000 ⁽²⁾	0.15	January 16, 2019

⁽¹⁾ Mr. William West stepped down from the Board, effective January 16, 2014 and retains an aggregate of 600,000 previously granted options which all expire on January 16, 2015.

⁽²⁾ Options were granted to Mr. Guimaraes on January 16, 2014, in his capacity as a service provider to the Corporation for consulting services in advance and in expectation of his nomination to the Board.

Director Compensation Table

The following table discloses all amounts of share-based compensation provided by the Corporation to its Directors who are not NEOs for the financial year ended December 31, 2013:

Name	Option Based Awards				Share Based Awards	
	Number of Securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in- the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter M. D. Bradshaw	Nil	Nil	Nil	Nil	Nil	Nil
Edward J. Munden	Nil	Nil	Nil	Nil	Nil	Nil
William West	Nil	Nil	Nil	Nil	Nil	Nil

During the fiscal year ended December 31, 2013 the Corporation paid no compensation to the three Directors of the Corporation who are not NEOs.

No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement. The Corporation reimburses all reasonable expenses incurred by Directors in respect of their duties. Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of Directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as Directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Corporation's compensation plans under which equity securities of the Corporation were authorized for issuance as at the date hereof.

	Column A	Column B	Column C
Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)
Equity compensation plans approved by security holders (stock option plan only)	14,310,000	0.16	4,010,117
Equity compensation plans not approved by security holders (none pending)	Nil	Nil	Nil
Total	14,310,000	0.16	4,010,117

Stock Option Plan

The Corporation has in place a stock option plan (the "Plan") for the purpose of attracting and motivating Directors, Officers, employees and consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase Common Shares of the Corporation.

A summary of the material aspects of the Plan is as follows:

1. The Plan will be administered by the Corporation's Board of Directors or, if the Board so designates, Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is set at 10% of the issued and outstanding Common Shares of the Corporation;
3. following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 30 days;
4. an option granted under the Plan will terminate six months following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
5. options may not be granted at prices that are lower than the market price of the securities at the time the option is granted;

6. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
7. in the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or Executive Officer of the Corporation, or any of their associates or affiliates, is or has been indebted to the Corporation since the commencement of the last completed fiscal year of the Corporation or to any other entity, which indebtedness is, or at any time since the commencement of the last completed fiscal year, has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Corporation, directors, proposed directors or officers of the Corporation, any shareholder who beneficially owns more than ten percent (10%) of the Common Shares of the Corporation, or any associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction, which has materially affected or would materially affect the Corporation other than as disclosed herein or in the financial statements of the Corporation for the fiscal year ended December 31, 2013. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transaction.

AUDIT COMMITTEE

Relationship with Auditors

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation to disclose annually in its information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

Audit Committee Charter

The Audit Committee Charter is annexed hereto as Schedule “A”.

Composition of the Audit Committee

For the year-ended December 31, 2013, the Corporation's Audit Committee was comprised of Edward Munden, William West and Peter Bradshaw, all of whom were independent, financially literate as defined in NI 52-110 and possessed the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting. On January 16, 2014, Mr. West stepped down from the Board and all committees and was replaced by Stephen Fabian on the Audit Committee. Management has put forward Mr. Ed Guimaraes to stand as a nominee for the Board at the Meeting. Mr. Guimaraes currently serves as a director and audit committee member for a number of publicly traded mining and resource companies including Orvana Minerals Corp., Nuinsco Resources Limited, Aldridge Minerals Inc., Giyani Gold Corp. and Karmin Exploration Inc. He has also served as the Chief Financial Officer of Aur Resources Inc. If elected by shareholders to the Board, the Board intends to nominate Mr. Guimaraes as the incoming Chair of the Audit committee, effective immediately following the Meeting.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year and the effective date of the NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditors 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.

Pre-Approved Policies and Procedures

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services, other than the provisions of an Audit Committee resolution authorising the engagement of the Corporation's auditor for the purposes of preparing tax filings, and for the provision of assurances to third parties and related services, at the auditor's usual and customary rates. The Audit Committee will review the engagement of additional non-audit services as required.

External Auditor Service Fees (by category)

	Year ended December 31, 2013 (\$)	Year ended December 31, 2012 (\$)
a) Audit Fees ⁽¹⁾	75,000	35,000
b) Audit Related Fees ⁽²⁾	88,200	Nil
c) Tax Fees ⁽³⁾	5,000	5,000

(1) Fees paid for services provided in auditing the corporation's annual financial statements.

(2) Consists of fees not included in "Audit Fees" that relate to the Corporation's different subsidiaries for services that are reasonably related to the performance of the audit or review, as well as, one-time fees related to the Transactions.

(3) Fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.

CORPORATE GOVERNANCE

National Instrument Policy 58-201 - "Corporate Governance Guidelines" (the "**Guidelines**") and National Instrument 58-101 - "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The Guidelines have replaced the guidelines previously set forth by the Toronto Stock Exchange. These non-prescriptive Guidelines deal with such matters as constitution and independence of board's of directors and board committees, their functions, the effectiveness and education of board members, and other means of ensuring sound corporate governance. The following is a summary of the Corporation's approach to corporate governance with reference to the Guidelines.

Board of Directors

The following table sets out the Directors of the Corporation that are Directors of other issuers that are reporting issuers (or their equivalent) in any Canadian jurisdiction or foreign jurisdiction:

Name of Director	Name of Reporting Issuer
Mark A. Burrige, Board Chair & Director	N/A
Peter M. D. Bradshaw Director	First Point Minerals Corp.
Stephen Fabian Director	South American Ferro Metals, The Baker Steel Resources Trust
Barry Hildred, CEO & Director	Aldridge Minerals Inc.

Edward J. Munden Director	Mustang Minerals Corp.
Peter Secker Director	Canada Lithium Corp.
Ed Guimaraes Incoming Director	Orvana Minerals Corp., Nuinsco Resources Limited, Aldridge Minerals Inc., Giyani Gold Corp. and Karmin Exploration Inc.

The Guidelines recommend that a majority of directors of a listed corporation be “independent” as defined by National Instrument 51-110 (“NI 52-110”). An independent director is a Director who does not have any direct or indirect material relationship with the issuer. “Material relationship” is defined as a relationship which could, in the view of the company’s Board of Directors, be reasonably expected to interfere with the exercise of a Director’s independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships. In addition, Section 1.5 of NI 52-110 sets out “additional independence requirements” that provide that executive officers of a shareholder who “controls” a company are considered to have a “material relationship” with the company and consequently are not independent directors.

The Board has determined that, in the year-ended December 31, 2013, out of the five (5) members of the Board, two members, Thomas O. Quigley and Robin E. Dunbar, were not independent directors by virtue of their status as officers. Peter Bradshaw, William West and Edward Munden were independent directors. Effective January 16, 2014, the Board has determined that of the seven directors standing for election at the Meeting, only Barry Hildred, the CEO, will not be an independent director.

Board Mandate

The Board assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through considering recommendations it receives from the committees of the Board and from Management. The Board approves all material acquisitions, dispositions and financings and other significant matters outside the ordinary course of the Corporation’s business. The Corporation has adopted a code of business conduct which has been communicated to all consultants, employees and other service providers. The text of the Board Charter is annexed hereto as Schedule “B”.

Management is responsible for the day-to-day operations of the Corporation, and pursues Board approved strategic initiatives within the context of authorized business, capital plans and corporate policies. The CEO is expected to report to the Board on a regular basis on short-term results and long-term development activities.

The Board is specifically responsible for adoption of a strategic planning process, identification of principal risks and implementing risk-management systems, and succession planning.

Each director is elected annually by the shareholders and serves for a term that will end at the Corporation’s next annual meeting. The Board believes that seven directors are a sufficient number to ensure the Board will be able to function independently of Management, but that this number may need to be increased in the future. The Board has regularly scheduled quarterly meetings with special meetings to review matters when needed. The Board encourages its independent members to hold separate discussions regarding the Corporation to the extent that such discussions are deemed to be beneficial or necessary.

Position Descriptions

The Board has not developed written position descriptions for the Chair, the chairman of any Board committees or the Chief Executive Officer. The Board is of the view that given the size of the Corporation, the relatively frequent discussions between Board members and the CEO and senior management, and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors. Each of the members of the Board has had solid experience in the industry as well as has had experience in acting as a director of public or private companies, or both. The Corporation's legal counsel is made available to the director to assist them in better understanding what their legal responsibilities are.

Ethical Business Conduct

The Corporation has adopted a Code of Ethics for directors, officers, consultants and employees. The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, Management and employees respecting such matters as the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealings with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules.

BOARD COMMITTEES

Year-ended December 31, 2013

Audit Committee and Disclosure Committee

The Audit Committee was comprised of three members including Edward J. Munden, William West and Peter Bradshaw, all of whom were independent directors. All of the members were financially literate.

The Audit Committee met four times in 2013. The mandate of the Audit Committee provides that its members shall meet at least quarterly prior to the release of the interim and annual financial results. The Board has approved a charter for the Audit Committee, a copy of which is attached as Schedule "A".

The Audit Committee also functions as the Disclosure Committee of the Board. The principal responsibilities of the Disclosure Committee consist of reviewing and implementing a communication policy for the Corporation and maintaining the integrity of the Corporation's internal control, management information and public disclosure systems.

Nomination and Compensation Committee

The Nomination and Compensation Committee was comprised of three members, William West, Edward J. Munden and Robin E. Dunbar, two of whom were independent directors. The principal responsibilities of the combined Nomination and Compensation Committee consist of compensation matters including reviewing the compensation of the Chief Executive Officer of the Corporation and other senior executives of the Corporation and providing recommendations to the Board for approval. The nomination matters include performing an annual evaluation of the Board's effectiveness as a whole and of the effectiveness of the individual directors and committees. The Board has approved charters for the combined Nomination and Compensation Committee.

Executive compensation is designed to encourage, compensate and reward employees on the basis of individual and corporate performance in the short and long term. Compensation for each of the executive officers consists of a base salary, bonus and stock options. Compensation is directly tied to corporate and individual performance.

The Corporation's business strategy, goals and objective for the Chief Executive Officer are reviewed annually. The Board receives at least quarterly updates from Management on strategic developments and reviews and adjusts the compensation as necessary.

Stock Options are designed to give each optionee an interest in preserving and maximizing long-term shareholder value to enable the Corporation to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance.

Other Committees of the Board

Currently, due to the size of the Corporation and its Board of Directors, the functions of an executive committee and corporate governance committee are performed by the Board as a whole.

Assessments

The practices of the Board respecting the above corporate governance matters are subject to modifications during the evolution of the Corporation. Consequently, the Board keeps in mind the questions surrounding corporate governance and tries to constantly assess, and if necessary, create measures, control mechanisms and the necessary structures to ensure the efficient execution of its responsibilities, without creating additional general fees and without reducing the performance of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at www.sedar.com and on the Corporation's website at www.aquilaresources.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements, Management Discussion and Analysis and any documents incorporated by reference herein without charge by emailing info@aquilaresources.com.

Financial information regarding the Corporation is provided in the Corporation's audited financial statements for the year ended December 31, 2013 and the related Management's Discussion and Analysis.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and the accompanying Management Information Circular. If any matters which are not known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters, in accordance with the best judgment of the person voting it.

APPROVAL OF DIRECTORS

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

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

DATED at Toronto, Ontario as at the 22nd day of May, 2014.

By Order of the Board of Directors

(signed) "Barry Hildred"

Barry Hildred
CEO and Director

SCHEDULE "A"

AQUILA RESOURCES INC.

AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors (the "Committee") of Aquila Resources Inc. (the "Company") has the responsibilities and duties as outlined below:

1. Mandate

The mandate of the Committee is:

- (a) To perform such duties as may be required by applicable legislation, regulations and policies including those of the Ontario Securities Commission ("OSC"), the Toronto Stock Exchange and/or the TSX Venture Exchange (collectively, the "TSX") as more fully described under the heading "Duties" below.
- (b) To assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities for:
 - (i) the integrity of the Company's financial statements;
 - (ii) the Company's compliance with legal and regulatory requirements;
 - (iii) the external auditor(s)' qualifications and independence;
 - (iv) the performance of the Company's independent auditors; and
 - (v) the system of internal control over financial reporting ("internal controls").
 - (vi) To perform such other duties as may from time to time be assigned to the Committee by the Board.

2. Authority

The Committee has authority to:

- (a) conduct or authorize investigations into any matters within its scope of responsibility;
- (b) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- (c) meet with Corporation officers, external auditors and outside counsel, as necessary; and
- (d) determine appropriate funding for independent advisors.

3. Financial Information

The Committee shall:

- (a) review the quarterly and annual consolidated financial statements of the Company prior to approval by the Board and disclosure to the public, which review should include discussion with Management and external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;

- (b) review the quarterly and annual Management's Discussion & Analysis ("MD&A") of the Company's current financial results, position and future prospects prior to review and approval by the Board;
- (c) review earnings press releases and earnings guidance press releases;
- (d) discuss significant financial risk exposures and the steps Management of the Company has taken to monitor, control and report such exposures;
- (e) review with Management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;
- (f) review the Company's Annual Information Form; and
- (g) review the process relating to and all certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

4. Compliance

The Committee shall:

- (a) review investments and transactions that could adversely affect the well-being of the Company which may be brought to its attention by the external auditor(s) or by any officer of the Company;
- (b) review the period reports on litigation matters; and
- (c) periodically, review the Charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate.

5. Internal Controls

The Committee shall:

- (a) require Management to implement and maintain appropriate internal control procedures over financial reporting and review, evaluate and approve these procedures; and
- (b) establish procedures for processing complaints regarding accounting, internal controls or auditing matters.

6. External Auditors

The Committee shall:

- (a) have responsibility for the oversight of the external auditor(s) who shall report directly to the Committee;
- (b) retain and terminate the Company's external auditor(s), subject to shareholder ratification;
- (c) review the annual audit plan and letter(s) of engagement;
- (d) at least annually review the report of the external auditor(s);
- (e) review and recommend to the Board the annual fee for the audit, review the Company's audit related expenses and pre-approve permitted non-audit services;
- (f) approve any significant non-audit relationship with the external auditor(s);

- (g) meet with the external auditor(s) and with Management to discuss the quarterly and the annual consolidated financial statements including the Company's disclosure under MD&A; and
- (h) review with the external auditor(s) any audit problems or difficulties and Management's response.

7. Reporting / Other Duties

The Committee shall:

- (a) report to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;
- (b) provide for an open avenue of communication between internal audit, the external auditors and the Board of Directors; and
- (c) institute and oversee special investigations as needed.

8. Composition

(a) Structure

- (i) The Committee shall be composed of not less than three directors, all of whom must be "independent directors".
- (ii) Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.

(b) Independence

- (i) All of the members of the Committee must not be current officers or employees of the Company or of any of its subsidiaries or affiliates nor have been such within the 36 months prior to his appointment. All of the members must not be persons who are affiliated with the Company or of any of its subsidiaries or affiliates as determined by the Board.
- (ii) Directors' fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Committee may be paid by the Company.

(c) Appointment of Committee Members

- (i) Members are appointed or reappointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

(d) Vacancies

- (i) Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.

(e) Appointment and Qualifications of Committee Chair

- (i) The Board shall appoint from the Committee membership a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

9. Meetings

(a) Calling of Meetings

- (i) Meetings of the Committee may be called by:
 - (1) the Chair,
 - (2) any member of the Committee; or
 - (3) the External Auditors.
- (ii) The Committee may call a meeting of the Board to consider any matter of concern to the Committee.
- (iii) The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:
 - (1) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communications facilities the business transacted at the meeting; and
 - (2) a resident Canadian majority of members would have been present if the absent member had been present.
- (iv) Any resolution consented to at any time during the Company's existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.

(b) Notice of Meetings

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

(c) Notice to the Internal Auditor and External Auditor(s)

The external auditor(s) are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

(d) Frequency

The Committee shall meet at least quarterly.

(e) Quorum

The quorum for a meeting of the Committee shall be 40% of the number of members, subject to a minimum of two members.

(f) Secretary and Minutes

The Chief Financial Officer of the Company shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee and subsequently presented to the Committee and to the Board, if required by the Board.

SCHEDULE “B”

BOARD CHARTER

AQUILA RESOURCES INC. BOARD OF DIRECTORS CHARTER

1. ROLE OF THE BOARD OF DIRECTORS:

The role of the Board of Directors (the “**Board**”) of Aquila Resources Inc. (the “**Company**”) is to oversee the business of the Company, to select and provide guidance to the CEO and other officers, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to Management. At all times, the Board acts with a view towards the best interests of the Company and of its shareholders.

2. SCOPE OF THE BOARD’S AUTHORITY:

The Board meets regularly to provide guidance to Management, to review reports on the performance of the Company, to discuss significant decisions with regards to the continued business of the corporation. The Board is also directly responsible for the following functions:

3. SELECTION OF THE PRESIDENT:

The Board is directly responsible for the selection and evaluation of the CEO. The Board is also responsible for defining the role of the CEO of the Company. The Board’s Compensation Committee recommends the compensation of the CEO to the full board.

4. RESPONSIBILITY FOR SENIOR MANAGEMENT:

The Board is responsible for approval of the appointment of the Company’s senior management on the recommendation of the Chief Executive Officer and/or the President. The Board is also responsible for succession planning.

5. CORPORATE STRATEGY:

The Board is responsible for developing, planning and overseeing the Company’s strategic objectives, approving and monitoring Management’s role in realizing these objectives and making major decisions affecting the Company’s future.

6. RISK ASSESSMENT:

The Board, along with Management, is responsible for assessing the major risks faced by the Company, and for planning, approving and monitoring the management of these risks.

7. INTEGRITY:

The Board has primary responsibility for maintaining the integrity of the Company and its management. The Board sets and implements internal controls and management information systems, directly and through its Audit Committee. The Board is also responsible to the extent reasonably feasible for ensuring that the Company conducts its affairs in an ethical way.

8. SELECTION AND SIZE OF THE BOARD:

The Board is elected by the shareholders of the Company at the Company's annual meeting of shareholders. The Nominating Committee proposes a slate of candidates to the board, which in turn proposes them to the shareholders for election. Shareholders may also make independent proposals for nominations to the Board, by complying with the requirements of the *Ontario Business Corporations Act* ("OBCA"), or alternatively, at the annual meeting. The number of directors is recommended by the Board for shareholder approval, subject to the requirements of the OBCA and the Company's Articles of Incorporation. Between annual meetings, the Board may appoint new or replacement directors to serve until the next annual meeting.

9. QUALIFICATIONS OF DIRECTORS:

The Company seeks to have an active board, and one which is well-suited to advancing the best interests of the shareholders. As such, the members of the Board should possess skills and competencies in areas relevant to the Company's activities, and should complement each others' strengths. A majority of the Company's directors are to be unrelated directors, as defined by the Toronto Stock Exchange.

10. ORIENTATION OF NEW DIRECTORS:

The Nominations Committee, working with Management, are responsible for the orientation and education of new Directors, who are also offered the opportunity to undertake additional training at Company expense.

11. MEETINGS:

The Company's Board meets at least four times a year, in person or by telephone. The Board is responsible for its agenda. Prior to each board meeting, the President will discuss agenda items for inclusion, and prepare materials for distribution to the Directors.

At the end of each regularly scheduled board meeting, the unrelated Directors may meet without Management presence, chaired by any Director. Any Director may initiate meetings without Management presence by contacting the other independent director.

12. COMMITTEES:

The Board has established the following standing committees: *Audit, Nominations and Compensation*. Committee chairs submit reports to the full board from each committee meeting.

13. NOMINATIONS AND COMPENSATION COMMITTEE:

The Nominations Committee performs an annual evaluation of the Board's effectiveness as a whole, as well as of its individual directors and committees. Individual committees also self-assess annually. Compensation for Management and Directors is determined by the Compensation Committee. The Compensation Committee recommends to the Board appropriate compensation for Company management. The Compensation Committee annually recommends to the Board appropriate compensation for non-management directors.

14. ACCESS TO OUTSIDE ADVISORS:

The Board and any committee may at any time retain outside advisors at the expense of the Company. Any Director may, with the approval of the lead Director, retain an outside advisor at the expense of the Company.

15. CORPORATE RESPONSIBILITY:

The Board, as well as its committees and individual members, are expected to abide by the Company's Code of Business Ethic.