



NOTICE OF ANNUAL MEETING
to be held on June 24, 2015

- and -

MANAGEMENT INFORMATION CIRCULAR

As of May 14, 2015



AQUILA RESOURCES INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 24, 2015**

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the shareholders of Aquila Resources Inc. (“**Aquila**” or the “**Corporation**”) will be held at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario on Wednesday, June 24, 2015 at 11:30 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements for the fiscal year ended December 31, 2014 and the auditor’s report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration; and
4. 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 “Management Information Circular”). The Management 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.

Holders of common shares registered on the books of the Corporation at the close of business on May 12, 2015 are entitled to notice of and to vote at the Meeting.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Registered 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, at 25 Adelaide Street East, Suite 1301, Toronto, ON M5C 3A1 not later than 11:30 a.m. (Toronto time) on June 22, 2015 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof). The Management Information Circular explains how to complete the form of proxy and how the voting process works.

Non-registered beneficial shareholders, whose shares are registered in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), should carefully follow the voting instructions provided by their Intermediary.

DATED this 14th day of May, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Barry Hildred”

Barry Hildred
CEO and Director



**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 24, 2015**

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by management 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 11:30 a.m. (Toronto Time) on June 24, 2015 or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of annual meeting of shareholder (the “**Notice of Meeting**”).

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is being made by or on behalf of management of the Corporation. It is expected that the solicitation of proxies will be made primarily by mail, but it may be supplemented by telephone or other form of correspondence. The cost of solicitation of proxies will be borne by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”). This cost is expected to be nominal.

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.

Notice and Access

The Corporation has elected not to use Notice and Access to distribute the Notice of Meeting, this Management Information Circular and the form of proxy (collectively the “**Meeting Materials**”). Registered and non-registered shareholders will be mailed Meeting Materials.

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 share of the Corporation (“**Common Shares**”) beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares; 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, the Corporation has distributed copies of 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:

- (c) 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 which the Intermediary must follow; or
- (d) be given a form of proxy which has already been signed by the Intermediary, 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 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) should 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.**

Only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

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 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 TransCanada 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) TransCanada Transfer, at 25 Adelaide Street East, Suite 1301, Toronto, ON M5C 3A1 not later than 11:30 a.m. (Toronto time) on June 22, 2015 (or at least 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), or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law including attending the Meeting in person.

Only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

Exercise of Discretion by Proxies

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 Matters to be Acted Upon", and as otherwise disclosed herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 220,914,874 fully paid and non-assessable Common Shares of the Corporation outstanding as of the date hereof. Each common share carries the right to one vote per Common Share. Each holder of outstanding Common Shares of record at the time of close of business on May 12, 2015 (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 or her on the Record Date.

Pursuant to the terms of a subscription agreement (the "**Subscription Agreement**") dated March 31, 2015, between the Corporation and Orion Mine Finance ("**Orion**"), until March 31, 2017 and thereafter until such time as the Orion's ownership of Common Shares is less than 10% of the total issued and outstanding Common Shares Orion is entitled to designate one individual for election or appointment to the board of directors of the Corporation from

time to time. The right of Orion is subject to the provisions of the Subscription Agreement, including the requirement that Orion's nominee meet the individual qualification requirements for directors under applicable laws.

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	Number of Common Shares	Percentage of Common Shares Owned
Orion Mine Finance	30,951,077	14.01%
HudBay Minerals Inc.	35,329,103	16.0%
Ruffer LLP	31,935,539	14.4%

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. The terms of office of the Corporation's current directors will expire as of the date of the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation, or until their successors are elected or appointed in accordance with the provisions of the *Business Corporations Act* (Ontario).

The board of directors has adopted a majority voting policy in director elections that will apply at any meeting of shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of votes withheld for a particular director nominee is greater than the votes for such director nominee, the director nominee will be required to submit his or her resignation to the board promptly following the Corporation's annual meeting. Following receipt of resignation, the Corporation's Nomination, Compensation and Governance Committee will consider whether or not to accept the offer of resignation. With the exception of special circumstances, the Nomination, Compensation and Governance Committee will be expected to recommend that the board accept the resignation. Within 90 days following the Corporation's annual meeting, the board will make its decision and disclose it by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the Corporation's majority voting policy will not be permitted to participate in any meeting of the board or the Nomination, Compensation and Governance Committee at which the resignation is considered.

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 for the past five years, 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.

<p><u>Mark A. Burridge</u>⁽²⁾ London, England Position with the Corporation: Chair of the Board & Director Director Since: 2014 Common Shares Held: 828,000⁽¹⁾</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Independent Business Consultant and Corporate Director.</p> <p>Mr. Burridge is an independent business consultant. Prior to becoming Chairman of the Corporation, Mr. Burridge was CEO and Chairman of REBgold Corporation from June 2011 to January 2014. Prior to that he was CEO of Cambridge Mining Plc from July 2007 until its acquisition by Western Canadian Coal in July 2009. Prior to joining Cambridge Mining Plc, Mr. Burridge was Managing Director at Hatch Corporate Finance, a corporate finance advisory firm from April 2003 to June 2007. Earlier experience includes positions with Merrill Lynch, where he was a ranked Analyst, and with Barrick Gold Corporation, as a Geological Engineer. He has a degree in Mining Geology and is a Chartered Financial Analyst.</p>
<p><u>Peter M.D. Bradshaw</u> British Columbia, Canada Position with the Corporation: Director Director Since: 2006 Common Shares Held: 500,000⁽¹⁾</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Chairman of First Point Minerals Ltd.</p> <p>Mr. Bradshaw is currently the Chairman of First Point Minerals Ltd. and has been in that position since February 2012. Prior to that Mr. Bradshaw was CEO and President of First Point Minerals from July 1996 to May 2004 and July 2005 to February 2012.</p>
<p><u>Stephen Fabian</u>⁽³⁾ London, England Position with the Corporation: Director Director Since: 2014 Common Shares Held: 504,143⁽¹⁾</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>CEO of Brazil Tungsten Ltd.</p> <p>Mr. Fabian (B.E. Min.) is Executive Chairman of Brazil Tungsten Holdings Limited and has 30 years of experience in the resources sector working as a fund manager and mining analyst with Bankers Trust Australia and County NatWest Australia. After transferring from Australia to London in 1993, he worked with County NatWest Australia's Corporate Advisory Team prior to establishing Rock Capital Partners in 1996. He relocated to Brazil in 2000 and was responsible for the creation of a number of mining ventures in the gold, diamond and iron ore sectors including Brazilian Diamonds, of which he was President and CEO, Ferrous Resources (founding CEO) and South American Ferro Metals. Rock Capital is a specialist venture capital firm and acts as an advisor to the Baker Steel Resources Trust, a London Stock Exchange listed resources fund which focuses on earlier stage opportunities in the resources sector.</p>

<p><u>Barry Hildred</u> Ontario, Canada</p> <p>Position with the Corporation: Chief Executive Officer & Director</p> <p>Director Since: 2013</p> <p>Common Shares Held: 2,617,210¹⁾</p>	<p>Principal Occupation:</p>	<p>CEO of Aquila Resources Principal at Level 2 Advisors; Chairman of Aldridge Minerals</p>
	<p>Biographical Information:</p>	<p>Mr. Hildred is an independent business consultant and is currently CEO and Director of Aquila Resources Inc. Mr. Hildred is also a director of Aldridge Minerals where he is Chairman of the Board and where he has served as a Director since April 2010. Previously, he was President of TMX Equicom a subsidiary of the TMX Group from 2007 to 2009 and President and Founder of the Equicom Group from 1996 to 2007. Hildred is also the Vice-Chair of the Children's Aid Foundation. He holds a Bachelor of Commerce degree from McMaster University.</p>
<p><u>Edward J. Munden</u>^{(2),(3)} Ontario, Canada</p> <p>Position with the Corporation: Director</p> <p>Director Since: 2001</p> <p>Common Shares Held: 516,612¹⁾</p>	<p>Principal Occupation:</p>	<p>Director, Capital House Corporation</p>
	<p>Biographical Information:</p>	<p>Mr. Munden has been a director of the Corporation since October 2001. During that time he has served on several Corporation committees, including the audit committee. Since 1989 he has been a director and co-founder of a private investment company that has provided and/or arranged financing and hands-on managerial assistance to a portfolio of energy, mining and technology software companies. From 2001 to present, Mr. Munden has focused on development and financing of oil and gas companies and of leasing and drilling projects, primarily in Texas. In 1994, Mr. Munden co-founded a Dallas-based NASDAQ traded energy company engaged in the exploration, development and acquisition of oil and natural gas properties and held senior level positions including Director, Chairman, President and CEO until it was sold in December 2001. From 1999 to present, Mr. Munden has been a director of Mustang Minerals Corporation, a Toronto based TSXV traded mineral exploration company. Mr. Munden has held various positions in the energy, mining and technology industries for more than 35 years. He is a professional geological engineer and holds a Bachelor of Science degree in Engineering and a Masters of Business Administration from Queen's University in Kingston, Canada.</p>

<p><u>Kevin Drover</u> British Columbia, Canada Director Since: N/A Common Shares Held: Nil</p>	<p>Principal Occupation:</p>	President and CEO of Aurcana Corporation
	<p>Biographical Information:</p>	Mr. Drover has over 40 years of experience in management, operations, and project development with mining companies developing and producing mining operations located in Canada, the U.S., Latin America, and in other foreign jurisdictions. Mr. Drover has served as the President and Chief Executive Officer and a director of Aurcana Corporation (TSX.V: AUN), a Canadian silver mining company, since July 2014. He also currently serves on the board of directors of Benz Mining Corp. (TSX.V: BZ), a Canadian junior mining company. From November 2013 to March 2015, Mr. Drover served as Chief Executive Officer and a director of Oracle Mining Corp. (TSX: OMN) (formerly, Gold Hawk Resources Inc.), a Canadian-based mining company that owns the Oracle Ridge copper mine in Arizona and previously owned the Coricancha Mine in central Peru until it sold the asset to Nyrstar in 2009. From June 2006 to June 2011, he served as Chief Operating Officer and then Chief Executive Officer of Oracle Mining Corp. Previously, Mr. Drover served as Chief Operating Officer of Glencairn Gold Corporation, where he was responsible for two gold mining operations in Latin America, and as Vice President of Operations at Kinross Gold Corporation (NYSE: KGC; TSX: K), where he was responsible for six operating mines worldwide.
<p><u>Andrew Dunn</u> Ontario, Canada Director Since: N/A Common Shares Held: Nil</p>	<p>Principal Occupation:</p>	Managing Partner of Canadian Shield Capital; Senior Advisor of Altas Partners
	<p>Biographical Information:</p>	Mr. Dunn is the Managing Partner of Canadian Shield Capital, a private equity investment and advisory firm focused on building great Canadian businesses with strong management teams. Mr. Dunn spent 27 years at Deloitte, most recently serving as Vice Chair of Deloitte Canada and Chair of its Client Cabinet, responsible for the firm's largest client and government relationships. He played numerous roles on the firm's Canadian and global executive teams, including Managing Partner of Tax in Canada. In 2012, Mr. Dunn co-founded Altas Partners ("Altas") with Andrew Sheiner, serving initially as Chief Operating Officer and Co-Managing Partner, and where he continues to serve as Senior Advisor. At Altas, Mr. Dunn led the 2013 investment in NSC Minerals, a Saskatoon-based rock salt distribution company.

Notes:

- (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) Member of the Nomination, Compensation and Governance Committee.
- (3) Member of the Audit Committee.

To the knowledge of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Management 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 Management 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.

Appointment and Remuneration of Auditors

Management of the Corporation is proposing to appoint MNP LLP as auditors of the Corporation for the current fiscal year. MNP LLP was first appointed the auditor of the Corporation on December 12, 2014.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of MNP LLP as the auditors of the corporation for the current fiscal year and authorizing the board to fix their remuneration.

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 Corporation, 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 Corporation, 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, Compensation and Governance Committee, is responsible for the compensation program for the Corporation's NEOs.

The compensation program's objectives are to:

- (a) 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) 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:

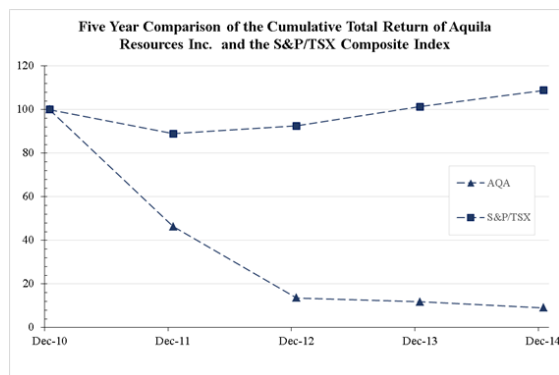
- (a) a base salary (for certain NEOs);
- (b) long term incentive in the form of incentive stock options; and
- (c) other compensation granted at the discretion of the board.

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, Compensation and Governance 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 Common Shares against the cumulative total return of the S&P/TSX Composite Index for the period from December 31, 2010 to December 31, 2014. Returns were calculated on the basis of a \$100 investment made as at December 31, 2010.



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. Previous grants of options are not taken into account when considering new grants.

As part 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”) and in order to ensure that the Corporation’s existing directors, officers, employees and service providers 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 then existing option plan were surrendered in consideration of these newly granted options. Similarly, on completion of the Transactions, certain directors, officers, employees and service providers of REBgold Corporation, became directors, officers, employees and service providers of the Corporation. In order to similarly incentivize such persons, the Corporation granted them options on the same terms as those granted to the Corporation’s existing directors, officers, employees and service providers. These additional 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 as at December 31, 2014. All values are in Canadian dollars.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Barry Hildred Chief Executive Officer ⁽²⁾	2014	240,000 ⁽³⁾	52,000	500,000 ⁽⁴⁾	Nil	Nil	Nil	50,000 ⁽⁵⁾	842,000
	2013	190,000 ⁽²⁾	Nil	21,050 ⁽²⁾	Nil	Nil	Nil	Nil	211,050
Louis Nagy Chief Financial Officer ⁽⁶⁾	2014	75,000	13,000 ⁽⁷⁾	40,000 ⁽⁷⁾	Nil	Nil	Nil	5,000 ⁽⁷⁾	128,000
Coen Louwarts ⁽⁸⁾ Vice President Corporate Development	2014	180,000 ⁽⁹⁾	13,000 ⁽⁹⁾	100,000 ⁽⁹⁾	Nil	Nil	Nil	Nil	293,000

Notes:

- (1) 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.
- (2) Mr. Hildred’s services as CEO are provided pursuant to a consulting agreement dated March 18, 2013 (the “**Red Roof Agreement**”), between the Corporation and Red Roof Capital Inc. (“**Red Roof**”), a corporation that is wholly owned by Mr. Hildred. 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 under the Red Roof Agreement. Further, Red Roof was granted one million incentive options exercisable at \$0.15 per Common Share, which vested over a three-year period.
- (3) On January 16, 2014, the Corporation and Red Roof amended the Red Roof Agreement to, *inter alia*, provide for an annual base fee of \$240,000 per year, payable entirely in cash. On the same date 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.
- (4) 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.
- (5) 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.

- (6) 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 provided through Your CFO Ltd., a corporation that is wholly owned by Mr. Nagy, on a non-exclusive basis pursuant to an employment agreement with an indefinite term between the Corporation and Mr. Nagy (the "**Your CFO Agreement**").
- (7) 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 CFO.
- (8) Mr. Louwarts resigned from the Corporation in April 2015 and has since been replaced by Andrew Bousy (VP Project Development). Mr. Louwarts continues to act as a consultant of the Corporation on an as needed basis.
- (9) 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.

Summary Compensation - Narrative Discussion

Current NEOs

Pursuant to the Red Roof Agreement, 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 \$20,000 per month (the "**Consulting Fee**") and reimbursement for the cost of medical benefit insurance until such time as such benefits are provided by the Corporation directly. 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 certain notice and termination provisions, 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 April 2015, the Corporation granted Mr. Hildred 1,500,000 options for past services and to satisfy his 2014 bonus. As at the date of this Management Information Circular, 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, which vest 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.

On January 16, 2014, Mr. Louis Nagy, formerly the Chief Financial Officer of REBgold, was appointed as Chief Financial Officer of the Corporation. Mr. Nagy's services as CFO are provided pursuant to the Your CFO Agreement. 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 Your CFO 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, was appointed as Vice President Corporate Development of the Corporation. Mr. Louwarts' services were provided pursuant to a preliminary agreement with an indefinite term. Pursuant to this agreement, Mr. Louwarts provided services to the Corporation on a non-exclusive basis and the Corporation pays an annual fee of \$180,000 for such services. Mr. Louwarts resigned from the Corporation in April 2015 and has since been replaced by Andrew Bousy (VP Project Development). Mr. Louwarts continues to act as a consultant of the Corporation on an as needed basis.

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, 2014. 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 (\$)	Market or payout value vested share-based awards not paid out or distributed (\$)
Barry Hildred CEO	5,000,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Lou Nagy CFO	400,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Coen Louwarts Vice President Corporate Development	1,000,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil

Notes:

(1) All options are for Common Shares.

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, 2014 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 (\$) ⁽¹⁾
Barry Hildred, CEO	500,000
Lou Nagy, CFO	40,000
Coen Louwarts, Vice President Corporate Development	100,000

Notes:

(1) 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.

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, 2014. The total number of options to purchase Common Shares that were/are outstanding at December 31, 2014 was 14,115,000. All of the outstanding options are fully vested.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Your CFO Agreement provides that in the event Mr. Nagy is terminated, for any reason other than cause, Mr. Nagy is entitled to a payment equal to 12 months base fee. In the event of Mr. Nagy resigning within 8 weeks of a hostile change of control, Mr. Nagy is entitled to receive 12 months base fee.

The following table provides details regarding the estimated incremental payments that the Corporation would have had to make to Mr. Nagy, assuming that such executive's employment agreement was terminated by the Corporation without cause on December 31, 2014:

NEO	Incremental Payment for Termination Without Cause (\$)	Incremental Payment for Termination Without Cause Following a Change of Control (\$)
Lou Nagy (Your CFO Ltd.)	\$75,000	\$75,000 ⁽¹⁾

Notes:

(1) Assuming a hostile change of control.

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, except directors who are NEOs. 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 Burridge assumed the role of Chair of the board immediately following the completion of the Transactions. As Chair of the board, Mr. Burridge receives an annual fee of \$100,800 for the provision of his services on a non-exclusive basis. The fee paid to Mr. Burridge includes a contribution to the overhead incurred by Mr. Burridge 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, 2014

The following table sets forth the value of all compensation earned by the non-NEO directors in their capacity as directors during the most recently completed financial year ended December 31, 2014.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-Equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Peter M. D. Bradshaw	12,000	Nil	40,000	Nil	Nil	Nil	52,000
Edward J. Munden	19,500	Nil	40,000	Nil	Nil	Nil	59,500
Mark Burridge	100,800	Nil	250,000	Nil	Nil	Nil	350,800
Peter Secker	17,000	Nil	40,000	Nil	Nil	Nil	57,000
Stephen Fabian	12,000	Nil	40,000	Nil	Nil	Nil	52,000

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-Equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ed Guimaraes	19,500	Nil	40,000	Nil	Nil	Nil	69,500

Notes:

- (1) 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.

The following table discloses the particulars of all option awards for each non-NEO director outstanding at the end of the Corporation's financial year ended December 31, 2014. 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 (\$)	Market or payout value vested share-based awards not paid out or distributed (\$)
Peter M. D. Bradshaw	400,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Edward J. Munden	400,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Mark Burrige	2,500,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Peter Secker	400,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Stephen Fabian	400,000	0.15	January 16, 2019	Nil	Nil	Nil	Nil
Ed Guimaraes	500,000 ⁽²⁾	0.15	January 16, 2019	Nil	Nil	Nil	Nil

Notes:

- (2) All options are for Common Shares.

- (3) 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.

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.

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 outstanding)
Equity compensation plans approved by security holders (stock option plan only)	17,400,000	0.16	4,691,487
Equity compensation plans not approved by security holders (none pending)	Nil	Nil	Nil
Total	17,400,000	0.16	4,691,487

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.
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, 2014. 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, 2014, the Corporation's Audit Committee was comprised of Edward Munden, Peter Bradshaw, Stephen Fabian and Ed Guimaraes (Chair), 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.

Bios of Audit Committee Members

Ed Guimaraes. Mr. Guimaraes has been Chair of the Audit Committee and an independent director of the Corporation since June 2014. Mr. Guimaraes is an independent business consultant and is a director of Nuinsco Resources Limited, Giyani Gold Corp., Karmin Exploration Inc. and Orvana Minerals Corp. Previously, he was Executive Vice President, Finance and Chief Financial Officer of Aur Resources Inc. until its acquisition by Teck Resources in 2007. He is a Chartered Professional Accountant (Chartered Accountant) and has a Bachelor of Arts in Administrative and Commercial Studies from the University of Western Ontario.

Stephen Fabian. Mr. Fabian (B.E. Min.) is Executive Chairman of Brazil Tungsten Holdings Limited and has 30 years of experience in the resources sector working as a fund manager and mining analyst with Bankers Trust Australia and County NatWest Australia. After transferring from Australia to London in 1993, he worked with County NatWest Australia's Corporate Advisory Team prior to establishing Rock Capital Partners in 1996. He relocated to Brazil in 2000 and was responsible for the creation of a number of mining ventures in the gold, diamond and iron ore sectors including Brazilian Diamonds, of which he was President and CEO, Ferrous Resources (founding CEO) and South American Ferro Metals. Rock Capital is a specialist venture capital firm and acts as an advisor to the Baker Steel Resources Trust, a London Stock Exchange listed resources fund which focuses on earlier stage opportunities in the resources sector.

Edward J. Munden. Mr. Munden has been a director of the Corporation since October 2001. During that time he has served on several Corporation committees, including the Audit Committee. Since 1989 he has been a director and co-founder of a private investment company that has provided and/or arranged financing and hands-on managerial assistance to a portfolio of energy, mining and technology software companies. From 2001 to present, Mr. Munden has focused on development and financing of oil and gas companies and of leasing and drilling projects, primarily in Texas. In 1994, Mr. Munden co-founded a Dallas-based NASDAQ traded energy company engaged in the exploration, development and acquisition of oil and natural gas properties and held senior level positions including director, Chairman, President and CEO until it was sold in December 2001. From 1999 to present, Mr. Munden has been a director of Mustang Minerals Corporation, a Toronto based TSXV traded mineral exploration company. Mr. Munden has held various positions in the energy, mining and technology industries for more than 35 years. He is a professional geological engineer and holds a Bachelor of Science degree in Engineering and a Masters of Business Administration from Queen’s University in Kingston, Canada.

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 section 2.4 or part 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. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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)

The fees billed to the Corporation by its auditor for each of the financial years ended December 31, 2014 and December 31, 2013 were as follows:

Year	Audit Fees⁽¹⁾ (\$)	Audit Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)
2014	55,000	5,000	25,000
2013	75,000	88,200	5,000

Notes:

- (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 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 of board and board committees and independence of directors, their functions, the effectiveness and education of directors, 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 NI 58-101 and the Guidelines.

Board of Directors

The following table sets out the current directors of the Corporation, whether or not they are independent, the attendance record of each director, and the names of any other reporting issuer (or their equivalent) for which a director acts as a directors:

Name of Director	Independence	Attendance Record	Name of Reporting Issuer
Mark A. Burrige, Chair of the Board & Director	Not Independent ⁽¹⁾	6/6	N/A
Peter M. D. Bradshaw, Director	Independent	6/6	First Point Minerals Corp.
Stephen Fabian, Director	Independent	6/6	South American Ferro Metals, The Baker Steel Resources Trust, Khayyam Minerals Ltd.
Barry Hildred, Chief Executive Officer & Director	Not Independent ⁽²⁾	6/6	Aldridge Minerals Inc.
Edward J. Munden, Director	Independent	6/6	Mustang Minerals Corp.
Peter Secker, Director	Independent	6/6	N/A
Ed Guimaraes	Independent	4/4 ⁽³⁾	Aldridge Minerals Inc., Sierra Metals Inc., Orvana Minerals Corp., Victory Nickle Inc.

Notes:

- (1) The board has determined that Mark Burrige is not independent of the Corporation because his compensation includes remuneration in respect of certain services that Mr. Burrige provides to the Corporation other than acting as a member of the board of directors, along with certain severance entitlements in the event Mr. Burrige’s services are terminated without cause.
- (2) The board has determined that Barry Hildred is not independent of the Corporation, as he is also the CEO of the Corporation.
- (3) Ed Guimaraes was elected to the board of directors at the Corporation’s June 16, 2014 annual meeting of shareholders.

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 Corporation’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, among others, are considered to have a “material relationship” with the company and consequently are not independent directors.

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 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. To ensure that directors maintain the necessary knowledge and skill levels to fulfill their duties as a member of the board, the Corporation provides relevant reading materials and board meeting discussions on relevant subjects. The Corporation's legal counsel are also 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 Business 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.

The Code of Business Ethics can be viewed on the Corporation's website at www.aquilaresources.com and on SEDAR at www.sedar.com.

Board Committees

Audit Committee and Disclosure Committee

The Audit Committee was comprised of three members including Edward J. Munden, Stephen Fabian and Ed Guimaraes (Chair), all of whom were independent directors and financially literate.

The Audit Committee met four times in 2014. 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, Compensation and Governance Committee

The Nomination, Compensation and Governance Committee was comprised of three members Edward J. Munden Peter Secker and Mark Burrige, two of whom are independent directors.

Each member of this committee has more than 10 years of experience in their respective field and throughout that time, each has been involved with implementing and reviewing nomination, compensation and governance policies at their respective organizations. The principal responsibilities of the combined Nomination, Compensation and Governance 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 Nomination, Compensation and Governance 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.

Director Term Limits and Other Mechanisms of Board Renewal

Each director serves on the board until the next annual meeting of shareholders of the Corporation or until a successor is duly elected or appointed. The board does not have a limit on the number of consecutive terms for which a director may serve. While there is benefit to adding new perspectives to the board from time to time, there are also benefits to having continuity and directors having in depth knowledge of each facet of the Corporation's business, which necessarily takes time to develop. As such, and given that each member 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 board believes that the imposition of term limits for its directors may run the risk of excluding experienced and potentially valuable board members as a result of an arbitrary determination. The board relies on thorough director assessment procedures for evaluating its members, and uses rigorous identification and selection processes for new directors, having regard to a variety of factors. Through these processes, the board believes that it is well-positioned to address any problems or deficiencies that may arise in an appropriate manner without having to adopt mandated term limits.

Diversity

The Corporation does not currently have any female directors. Of the two current executive officers of the Corporation, neither is a woman. While the Corporation strongly supports the principle of diversity in its leadership, of which gender is an important aspect, the Corporation does not have a policy or targets regarding the representation of women on the board or senior management, as the board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, the identification and selection process is made based on a variety of criteria, including the diversity of viewpoints, backgrounds, experiences and other demographics, but also expertise, skills, character, business experience and other relevant factors. Accordingly, in searches for new directors or executive officers, the board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at and on the Corporation's website at shareholders may contact the Corporation to request copies of the Corporation's financial statements and Management Discussion and Analysis for the financial year ending December 31, 2014, and any documents incorporated by reference herein without charge by emailing

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.

APPROVAL OF DIRECTORS

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

DATED at Toronto, Ontario as at the 14th day of May, 2015.

By Order of the Board of Directors

(signed) "*Barry Hildred*" _____

Barry Hildred
CEO and Director

SCHEDULE “A”

AQUILA RESOURCES INC.

AUDIT COMMITTEE CHARTER

ROLE AND PURPOSE

The purpose of this Charter is to outline the role of the Audit Committee (the “**Committee**”) and the responsibilities assigned to it by the board of directors (the “**Board**”) of the Corporation. The primary function of the Committee is to provide oversight and make recommendations to the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and reviewing the financial information to be provided to the Corporation’s shareholders and others.

The Corporation’s external auditor shall be accountable to the Committee and the Board, and the Committee shall have the authority and responsibility to nominate an external auditor, oversee the independence, qualification and performance of the external auditor and the resolution of any issues between the external auditor and management, approve the compensation of, and, where appropriate, replace the external auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee shall strive to maintain open avenues of communication between the Corporation’s external auditor and the Board.

The Committee shall have the power to conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this Charter, the Committee shall have the authority to retain special legal, accounting or other consultants or advisors to advise it, and to authorize the payment of the fees and expenses of such consultants or advisors, and may request any officer or employee of the Corporation, the members of, or consultants or advisors to assist the Committee. The Committee shall also have the authority to direct the funding by the Corporation of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibilities. In this regard, the Committee may direct internal audit personnel to particular areas for examination.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in this Charter. However, it is not the duty of the Committee to prepare financial statements, to plan or conduct audits, to determine whether the financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”), as applicable, to conduct investigations, or to assure compliance with laws and regulations or the Corporation’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor, as the case may be.

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Committee must be constituted as required under National Instrument 52-110, as it may be amended or replaced from time to time (“**NI 52 110**”) and must be composed of not less than three directors of the Corporation.

All members of the Committee must (except to the extent permitted by NI 52 110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements).

At least one member of the Committee shall have accounting or related financial experience as determined in accordance with applicable securities laws and stock exchange or quotation system rules (collectively, the “**Regulatory Requirements**”), which must involve: (1) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (2) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (3) experience in the preparation, auditing, analyzing or evaluating financial statements that present a breadth and complexity of issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the

Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; (4) an understanding of internal controls and procedures for financial reporting; and (5) an understanding of audit committee functions.

Each member of the Committee shall be free from any relationship that would interfere with the exercise of his or her independent judgment.

Any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by election from among the Board at any regular or special meeting. If an whenever a vacancy shall exist on the Committee, the remaining members may exercise all of its powers so long as a quorum remains.

New members will participate in such training and orientation as may be deemed by the Board to be necessary or appropriate in the circumstances.

The Committee shall meet at least quarterly on such dates and at such times and places as determined by the Chair of the Committee. The Chair or any other member of the Committee may call additional meetings as required or appropriate.

The Board shall appoint a Chair of the Committee. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside by a majority of the members of the Committee present at such meeting.

At any meeting of the Committee, a quorum will be not less than a majority of its members.

The Committee shall have the right to determine who shall, and who shall not, be present at any time during a meeting of the Committee. The Chair of the Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor or the Corporation, and others as they consider appropriate.

The Committee shall also meet separately from time to time with the Corporation's management, internal auditors and external auditors.

The Board shall be kept informed of the Committee's activities by a report from the Chair of the Committee following each Committee meeting.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members, which shall not be less than 48 hours. The notice period may be waived by all members of the Committee. Each of the Chair of the Board and the external auditor, and the President, the Chief Executive Officer, the Chief Financial Officer or the Secretary of the Corporation, shall be entitled to request that any member of the Committee call a meeting.

The Committee shall determine any desired agenda items.

At least annually the Committee will perform a self-evaluation to: (1) determine the Committee's effectiveness; (2) evaluate Committee succession plans related to Committee membership; and (3) review and assess the adequacy of this Charter and, if required, recommend changes to the Board.

RESPONSIBILITIES OF THE COMMITTEE

The Audit Committee's responsibilities shall include:

- Financial Statements and Other Financial Disclosure
- Discuss and review with management major issues regarding accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles and use of material estimates and judgement in preparing the financial statements. This will also include a review of analyses prepared by management setting forth the impact of alternative GAAP methods and their impact on the financial statements.
- Discuss and review with management and the external auditors the Corporation's annual audited financial statements, notes to the financial statements, annual Management's Discussion and Analysis ("MD&A") and other related documents prior to their filing or distribution, including consideration of:
 - Accounting principles, practices and significant management estimates and judgments.
 - The external auditors' examination of the financial statements and their audit report.
 - Policies and practices with respect to off-balance sheet transactions and trading and hedging activities.
- Discuss and review with management and the external auditors any significant changes required in the external auditors' audit plan, any material issues or disputes encountered by the external auditors during the course of the audit and any other matters related to the conduct of the audit.
- Based on discussions with management and the external auditors, review and formally recommend approval by the Board, as appropriate, of the Corporation's annual audited financial statements, MD&A and other significant public financial disclosure contained in the Corporation's Annual Information Form, if applicable, and Management Information Circular, prior to public disclosure.
- Based on discussion with management and the external auditors, review and formally recommend approval by the Board, as appropriate, of the Corporation's quarterly unaudited financial statements, MD&A and other related documents, prior to public disclosure.
- Review and discuss with management other financial filings and disclosure, including press releases discussing earnings results or prospective earnings results, earnings guidance or pro forma or non-GAAP information, contained in any filings with the securities regulators or news releases or materials provided to analysts or rating agencies, prior to public disclosure.
- Review and discuss with management and the external auditors where appropriate, the following financial documents and reports prior to public disclosure:
 - all certifications that may be made by the Chief Executive Officer and the Chief Financial Officer of the Corporation on the annual or quarterly financial results, disclosure controls and procedures and internal controls over financial reporting;
 - any legal, tax or regulatory matters that may have a material impact on the Corporation's or any of its subsidiaries' operations and financial statements; and
 - any financial information contained in any prospectus, information circular or other disclosure documents or regulatory filings containing financial information of the Corporation or any of its subsidiaries.

- The Committee will ensure 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 and will periodically assess the adequacy of those procedures.
- The Committee will oversee any auditing or accounting reviews or similar procedures or investigations.
- The Committee will review, as appropriate, any report required by the appropriate regulatory authority to be included in the annual management information circular related to the matters covered by this Charter including the disclosure of the external auditors' services and fees, Committee members and their qualifications and activities of the Committee.
- The Committee will, if necessary, launch special investigations with full access to books, records, facilities and personnel of the Corporation and its subsidiaries.

External Auditors

- The Committee will discuss with the external auditors and then approve the audit plan, scope, responsibilities, budget, staffing, the objectives, coordination, reliance upon management, general audit approach, the responsibilities of management and the external auditors and timing.
- Subject to applicable Regulatory Requirements and rights of shareholders, assume direct responsibility for the appointment, compensation, retention and oversight of the performance of the external auditors (including the resolution of any disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing any other audit, review or test or permitted non-audit services for the Corporation. The external auditors shall report directly to the Committee.
- Review and approve the services to be provided by the external auditors to the Corporation or any of its subsidiaries, whether audit or non-audit related, (including the fees and terms thereof), prior to the commencement of such services (with the exception of de minimus non-audit services described under applicable Regulatory Requirements which are approved by the Committee prior to the completion of the audit). The Committee may delegate to one of its members the approval of non-audit services. In such instances, the items approved will be reported to the Committee at its next scheduled meeting following such pre-approval.
- Identify categories of non-audit services that the external auditors must not provide to the Corporation or any of its subsidiaries.
- Review and evaluate the external auditors' engagement letter and estimated and final compensation for audit and non-audit services.
- Meet regularly with the external auditors (independent of management), either at the request of the external auditors or on the Committee's own initiative, to consider matters that the external auditors believe should be discussed privately with the Committee.
- Receive all material written communications between the external auditors and management including the management letter and schedule of unadjusted differences.
- Review and discuss with the external auditors:
- Critical accounting policies and practices followed by the Corporation.

- All alternative treatments within GAAP and/or IFRS, as applicable, that have been discussed with management, including the ramifications of each alternative disclosure and treatment and the treatment preferred by the external auditors.
- Other material written communications between the external auditors and management.
- Any audit problems or difficulties with management's response.
- Consider and review with the external auditors and management:
- Significant findings during the year and management's responses thereto.
- Difficulties encountered in the course of audits, including any restrictions on the scope of their work or access to required information.
- Any disagreements between the external auditors and management during the course of the audit, including any restrictions on the scope of their work or access to required information.
- Proposed changes in accounting standards, policies or practices and the impact of such changes on the Corporation's financial reporting practices.
- Planned changes in the external auditors' audit plan.
- Significant risks or exposures identified by management or the external auditors and assess the steps management has taken to minimize such risks to the Corporation.
- Review and discuss with the external auditors all relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to assess the external auditors' independence, including, without limitation, (i) ensuring the receipt of and reviewing a written statement from the external auditors describing all relationships that may reasonably be thought to bear on the independence of the external auditors, (ii) discussing any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors, (iii) the rotation of the partners assigned in accordance with applicable laws and professional standards, the internal quality control findings of the external auditors' firm and peer reviews, and (iv) recommending that the Board take appropriate action in response to such review to satisfy itself of the external auditors' independence.
- Removal of the external auditors if circumstances warrant, after due diligence inquiry and discussion with the external auditors.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's current and former external auditors.

Internal Controls Over Financial Reporting

- Review with management the effectiveness of the Corporation's system of internal controls for identifying and managing principal business risks, steps taken to address significant risks and exposures of all types, including insurance and tax compliance.
- Meet on a periodic basis separately with the members of management responsible for internal controls.
- Review with the external auditors the external auditors' report or attestation regarding the Corporation's internal controls over financial reporting.

- Review any extraordinary or unusual transactions or payments which come to the attention of the Committee, including related party transactions between the Corporation or any of its subsidiaries and any officers, directors or associates of any officers or directors, which transactions shall be subject to Committee approval.
- Review annually the amounts and types of expenses of the Corporation's executive officers including their use of corporate assets and the results of the external auditors' review of such expenses.
- Establish procedures for the receipt and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including a procedure for the confidential and anonymous submission of complaints and concerns by employees of the Corporation regarding questionable accounting or auditing matters as required under applicable Regulatory Requirements.

Other Matters

- Review any legal or regulatory matters, including correspondence with regulators and governmental agencies, that may have a material impact on the Corporation's financial statements or other financial disclosure.
- Conduct an annual review and assessment of the adequacy of this Charter and the functioning of the Committee and, if necessary, make recommendations to the Board as to proposed changes to this Charter.
- The Committee is authorized to communicate directly with the external (and, if applicable, internal) auditors as it sees fit.
- The Committee will participate in the appointment, promotion or dismissal of the Chief Financial Officer and/or Controller and help determine his or her qualifications, access and compensation.
- At least annually, provide oversight of the Corporation's and its subsidiaries' risk management policies including investment policies and insurance coverage.
- Nothing contained in this Charter is intended to make the Committee liable for any non-compliance by the Corporation with applicable laws or regulations.
- The Committee may, in its sole discretion, delegate all or a portion of its responsibilities to subcommittee made up of members of the Committee.

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 “**Corporation**”) is to oversee the business of the Corporation, 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 Corporation 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 Corporation, 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 Corporation. The Board’s Nomination, Compensation and Governance 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 Corporation’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 Corporation’s strategic objectives, approving and monitoring management’s role in realizing these objectives and making major decisions affecting the Corporation’s future.

6. RISK ASSESSMENT:

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

7. INTEGRITY:

The Board has primary responsibility for maintaining the integrity of the Corporation 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 Corporation conducts its affairs in an ethical way.

8. SELECTION AND SIZE OF THE BOARD:

The Board is elected by the shareholders of the Corporation at the Corporation’s annual meeting of shareholders. The Nomination, Compensation and Governance 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 Corporation'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 Corporation 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 Corporation's activities, and should complement each other's' strengths. A majority of the Corporation's directors are to be unrelated directors, as defined by the Toronto Stock Exchange.

10. ORIENTATION OF NEW DIRECTORS:

The Nomination, Compensation and Governance 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 Corporation expense.

11. MEETINGS:

The Corporation'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, Nomination, Compensation and Governance*. Committee chairs submit reports to the full board from each committee meeting.

13. NOMINATION, COMPENSATION AND GOVERNANCE COMMITTEE:

The Nomination, Compensation and Governance 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 Nomination, Compensation and Governance Committee. The Nomination, Compensation and Governance Committee recommends to the Board appropriate compensation for Corporation management. The Nomination, Compensation and Governance 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 Corporation. Any director may, with the approval of the lead director, retain an outside advisor at the expense of the Corporation.

15. CORPORATE RESPONSIBILITY:

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