

REDZONE RESOURCES LTD.

**Annual General Meeting
to be held on November 17, 2017**

**Notice of Annual General Meeting
and
Information Circular**

October 13, 2017

REDZONE RESOURCES LTD.

880 – 580 Hornby Street
Vancouver, British Columbia V6C 3B6

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Redzone Resources Ltd. (the “**Corporation**”) will be held at 880 – 580 Hornby Street, Vancouver, BC on Friday, November 17, 2017, at 10 am (Vancouver Time). At the Meeting, the shareholders will receive the financial statements for the year ended April 30, 2017, together with the auditor’s report thereon, and consider resolutions to:

1. elect directors for the ensuing year;
2. appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditor of the Corporation for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
3. confirm the Corporation's stock option plan, as required annually by the policies of the TSX Venture Exchange; and
4. transact such other business as may properly be put before the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by 10 am (Vancouver Time) on Wednesday, November 15, 2017 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on Monday, October 13, 2017 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 13th day of October, 2017.

ON BEHALF OF THE BOARD

(signed) “*Michael Murphy*”

Michael Murphy,
President and Chief Executive Officer

REDZONE RESOURCES LTD.

880 – 580 Hornby Street
Vancouver, British Columbia V6C 3B6

INFORMATION CIRCULAR

(as at October 13, 2017 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Redzone Resources Ltd. (the “**Corporation**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general meeting of the shareholders of the Corporation to be held on Friday, November 17, 2017 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Corporation will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Corporation. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10 am (Vancouver Time) on Wednesday, November 15, 2017, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the

auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who

object to their identity being known to the issuers of securities which they own (“OBOs”) and those who do not object to their identity being made known to the issuers of the securities which they own (“NOBOs”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Corporation has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Corporation and to seek your instructions on how to vote your common shares.

The Corporation’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Corporation does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Corporation or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Corporation or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10am. (Vancouver Time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Corporation as set forth on the list of registered shareholders of the Corporation as maintained by the registrar and transfer agent of the Corporation, Computershare, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Corporation for the year ended April 30, 2017, together with the auditor’s report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Corporation's authorized capital consists of an unlimited number of common shares of which 15,631,284 common shares are issued and outstanding. All common shares in the capital of the Corporation carry the right to one vote.

Shareholders registered as at October 13, 2017, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Corporation, as of the date of this Circular, no shareholder beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding common shares of the Corporation.

ELECTION OF DIRECTORS

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Corporation proposes to nominate the persons listed below for election as directors of the Corporation to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Corporation is currently set at four.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Corporation, their occupations, the length of time they have served as directors of the Corporation, and the number of shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and positions, current and former, if any, held in the Corporation	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned or controlled or directed, directly or indirectly, at present ⁽¹⁾
Michael Murphy ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of the Corporation; corporate finance consultant; Director of Torex Gold Inc. (formerly Gleichen Resources Ltd.), a mineral resource company (2008 to present).	December, 2008	911,628

Name, province or state and country of residence and positions, current and former, if any, held in the Corporation	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned or controlled or directed, directly or indirectly, at present ⁽¹⁾
Alan Matthews ⁽³⁾⁽⁴⁾ Cornwall, United Kingdom <i>Director</i>	Principal Partner and Founder of Godolphin Mining Services LLC, a consultancy and mineral development company. Formerly Vice-President Special Projects and Director of International Minerals Corporation (2011 to 2013); formerly Director Special Projects for Chaparral Gold Corp. (2014).	March, 2006	232,777
Gary Brown ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Senior Vice-President and Chief Financial Officer of Wheaton Precious Metals Corp. since June 2008.	August, 2011	561,250
Craig Roberts ⁽⁴⁾ British Columbia, Canada <i>Director</i>	Managing Director, Axemen Resource Capital Ltd. since 2009; Director and Vice-President of Corporate Development of Ethos Gold Corp., May, 2016 to date; Director of K2 Gold Corp, June, 2016 to date.	August, 2016	1,201,010

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the directors themselves.
- (2) Member of the Corporation's disclosure committee.
- (3) Member of the Corporation's audit committee.
- (4) Member of the Corporation's Governance, Compensation and Nominating Committee ("GC&N Committee").

The Corporation does not have an executive committee of its Board.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Corporation, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order 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; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order 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.

Individual Bankruptcies

No director or proposed director of the Corporation has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended April 30, 2017, the Corporation had two Named Executive Officers (“NEOs”) being, Michael Murphy, the President and Chief Executive Officer (“CEO”) and Rebecca Moriarty, the Chief Financial Officer (“CFO”) of the Corporation.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, 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, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and (d) each individual who would be an NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The compensation program of the Board is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. The Corporation’s compensation arrangements for the NEOs may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Corporation, compensation of the NEOs to date has emphasized meaningful stock option awards to attract and retain NEOs and, to a certain extent, to conserve cash. This policy may be re-evaluated in the future to instead emphasize increased base salaries and/or cash bonuses with a reduced reliance on option awards,

depending upon the future development of the Corporation and other factors which may be considered relevant by the Board from time to time. The compensation of the Corporation's NEOs is determined by the Board, based upon the recommendations of the GC&N Committee.

The objectives and reasons for this system of compensation are generally to allow the Corporation to remain competitive compared to its peers in attracting experienced personnel.

The Board, on the recommendations of the GC&N Committee, establishes and reviews the Corporation's overall compensation philosophy and its general compensation policies with respect to the CEO and other officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Board evaluates each officer's performance in light of these goals and objectives and, based on its evaluation, determines and approves the salary, bonus, options and other benefits for such officers.

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Corporation, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

Neither the Board nor the GC&N Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme, and the Board and the GC&N Committee does not believe that the Corporation's compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Grant of Options Outside of Stock Option Plan as Compensation

In December, 2012 Michael Murphy, the Corporation's President and CEO, advised the Board that, in order to preserve cash, he would forego his annual salary for the calendar year 2013 in consideration of stock options to be granted in lieu of salary. The Board subsequently resolved to grant an aggregate of 210,000 post-consolidation stock options to Mr. Murphy. However, because the proposed grant exceeded the number of options available for granting under the Corporation's stock option plan (the "**Plan**"), the Board provided that the grant would be subject to the approval of the Toronto Stock Exchange (the "**TSX**") as the options are held outside of the Plan. The TSX agreed to the grant on the terms described and disinterested shareholders of the Corporation approved the grant of the option at the annual general and special meeting held on October 31, 2013. The grant of this option to Mr. Murphy was also approved by the TSX Venture Exchange (the "**TSXV**"). These options were cancelled on October 13, 2015.

Share-Based and Option-Based Awards

The Corporation does not grant share-based awards. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Corporation, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Corporation's future success and the individual's ability to influence corporate and business performance.

The purpose of granting such stock options is to assist the Corporation in compensating, attracting, retaining and motivating the officers, directors and employees of the Corporation and to closely align the personal interest of such persons to the interest of the shareholders.

The recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board, based upon recommendations made to the Board by the GC&N Committee. The exercise price of the stock options granted is generally determined by the market price at the time of grant.

Compensation Governance

The GC&N Committee, on behalf of the Board, monitors compensation for the executive officers of the Corporation. The GC&N Committee currently consists of three members; namely, Alan Matthews, Michael Murphy and Craig Roberts. Messrs. Matthews and Roberts are considered independent. Mr. Murphy, who is also the President and CEO of the Corporation, is not considered independent.

The following is a summary description of the mandate and responsibilities of the GC&N Committee as it relates to NEO compensation:

- (a) to review and approve corporate goals and objectives relevant to NEO compensation, including the evaluation and performance of the CEO in light of those corporate goals and objectives, and to make recommendations to the Board with respect to NEO compensation levels (including the award of any cash bonuses or share ownership opportunities);
- (b) to consider the implementation of short and long-term incentive plans, including equity-based plans, proposed by Management, to make recommendations to the Board with respect to these plans and to annually review such plans after their implementation; and
- (c) to annually review any other benefit plans proposed by Management and to make recommendations to the Board with respect to their implementation.

All members of the GC&N Committee have direct experience which is relevant to their responsibilities as GC&N Committee members. All members are or have held senior executive roles within public companies, and therefore have a good understanding of compensation programmes. They also have good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members' combined experience in the resource sector provides them with the understanding of the Corporation's success factors and risks, which is very important when determining metrics for measuring success.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Corporation's three most recently completed financial years to the Corporation's NEOs.

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			
Michael Murphy, President and CEO	2017	\$Nil	N/A	\$13,403	N/A	N/A	N/A	Nil	\$13,403
	2016	\$Nil	N/A	\$9,072	N/A	N/A	N/A	Nil	\$9,072
	2015	\$33,333	N/A	\$Nil	N/A	N/A	N/A	Nil	\$33,333
Rebecca Moriarty, CFO	2017	\$13,320 ⁽²⁾	N/A	\$Nil	N/A	N/A	N/A	Nil	\$13,320
	2016	\$12,640 ⁽²⁾	N/A	\$54	N/A	N/A	N/A	Nil	\$12,640
	2015	\$15,832 ⁽²⁾	N/A	\$Nil	N/A	N/A	N/A	Nil	\$15,832

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2017	2016	2015
Risk-free interest rate:	0.83%	0.81%	N/A
Expected dividend yield:	Nil	Nil	N/A
Expected volatility:	238%	234%	N/A
Expected life of options:	5 years	5 years	N/A

The Corporation has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Corporation's financial statements.

- (2) Rebecca Moriarty is an employee of Malaspina Consultants Inc. ("**Malaspina**"). This amount consists of consulting fees paid to Malaspina, pursuant to a consulting agreement between Malaspina and the Corporation.

No share-based awards were granted by the Corporation during the last completed financial year and the Corporation does not have any non-equity incentive plans.

Narrative Discussion

The Corporation has entered into an Executive Employment Agreement dated January 19, 2010 (the "**Employment Agreement**") with Michael Murphy, the Corporation's President and CEO. Pursuant to the terms of the Employment Agreement, Mr. Murphy is employed by the Corporation as CEO for an indefinite term commencing January 19, 2010 at a base annual salary of \$100,000 (increased to \$150,000 effective December, 2010), less any amount paid to Mr. Murphy pursuant to any other employment or consulting agreement or arrangement between Mr. Murphy and the Corporation or any of its affiliates. Mr. Murphy and the Corporation have agreed to a reduction in Mr. Murphy's base annual salary from \$150,000 to \$50,000 for the calendar year ended December 31, 2014 and to no salary for the calendar years ended December 31, 2015 and 2016. Additionally, Mr. Murphy is entitled to receive a performance bonus in the amounts and manner as determined by the GC&N Committee, with the approval of the Board. Reference is made to the heading "Termination and Change of Control Benefits" for information regarding the termination provisions of Mr. Murphy's Employment Agreement.

The Corporation entered into a consulting agreement with Malaspina dated May 12, 2011 (the "**Malaspina Agreement**") pursuant to which Malaspina agreed to provide accounting and related services to the Corporation, including the services of the CFO, commencing July 1, 2011 until the cancellation of the Malaspina Agreement, which may be cancelled by the Corporation or Malaspina by giving 60 days written notice. Malaspina's fees for providing these services are \$55 to \$80 per hour and \$160 per hour

for the services of the CFO, plus other office expenses. The Malaspina Agreement also provides that Malaspina will be granted stock options commensurate with the CFO's contribution to the Corporation's business plan.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The GC&N Committee makes recommendations to the Board with respect to the Corporation's Plan, the grant of stock options to executive managers, and general allotment of options for Management's allocation to employees, consultants and other non-executive personnel.

In considering the recommendations by the GC&N Committee, the Board may consider a number of factors, including the Corporation's performance, the relative time commitment that the Corporation's executive officers are required to devote to corporate matters, the nature of the Corporation's operations, the awards given in the past years and other factors it considers relevant. The current overall objective of the Corporation's compensation strategy is to reward Management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Corporation has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Board level with respect to the above-noted considerations and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Corporation.

The following table sets forth the outstanding option-based awards held by the NEOs of the Corporation at the end of the most recently completed financial year. The Corporation does not have any share-based awards held by an NEO.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Michael Murphy, President and CEO	90,000	\$0.10	October 13, 2020	\$9,000
	78,000	\$0.10	April 4, 2021	\$7,800
	75,000	\$0.18	February 24, 2022	\$1,500
Rebecca Moriarty, CFO	1,000	\$0.10	October 13, 2020	\$100

Note:

- (1) "In-the-Money Options" means the excess of the market value of the Corporation's shares on April 30, 2017 over the exercise price of the options. The closing price of the Corporation's common shares on April 27, 2017, being the last day that the shares of the Corporation traded during the Corporation's April 30, 2017 year end, was \$0.20.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Michael Murphy, President and CEO	Nil ⁽¹⁾	N/A	N/A
Rebecca Moriarty, CFO	None	N/A	N/A

Note:

- (1) Those options granted to Mr. Murphy during the most recently completed financial year vested on the date of grant and the exercise price of such options was equal to the closing price of the Corporation's shares on the date of grant.

No share-based awards were granted by the Corporation during the last completed financial year and the Corporation does not have any non-equity incentive plans.

Narrative Discussion

The following information is intended as a brief description of the Corporation's Plan and is qualified in its entirety by the full text of the Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant. If any stock option granted expires, is cancelled or terminates for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purpose of the Plan.
2. The Board shall determine to whom stock options shall be granted, the terms and provisions of the respective stock option agreements, the time or times at which such stock options shall be granted, and the number of shares to be subject to each stock option. The stock options shall vest and may be exercised (in each case to the nearest full share) during the option period in such manner as the Board may fix by resolution, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to persons providing investor relations services must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period. Stock options which have vested may be exercised in whole or in part at any time and from time to time during the option period.
3. The exercise price of the options is determined by the Board. The exercise price shall not be less than the closing price (the "**Closing Price**") of the Corporation's shares on the stock exchange or stock exchanges on which the shares of the Corporation are listed on the last trading day immediately preceding the date of grant of the option, less any allowable discounts, subject to a minimum price of \$0.10.
4. The maximum number of shares subject to stock options granted to a director, officer, employee and consultant of the Corporation (each, a "**Participant**") shall be determined by the Board, but no Participant shall be granted stock options within a one year period of time which exceed 5% of the issued and outstanding shares of the Corporation (on a non-diluted basis).
5. The maximum number of options which may be granted to insiders under the Plan, any other employer stock option plans or options for services, within any 12 month period, shall be 10% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

6. The maximum number of stock options which may be granted to any one consultant under the Plan, any other employer stock option plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of grant (on a non-diluted basis).
7. The maximum number of stock options which may be granted to investor relations persons under the Plan, any other employer stock option plans or options for services, within any 12 month period, must not exceed, in the aggregate, 2% of the shares issued and outstanding at the time of grant (on a non-diluted basis).
8. The stock option period shall be a period of time fixed by the Board, subject to the death or disability of the Participant. In the event of the death of a Participant, the stock option will be exercisable only within 12 months following the Participant's death, unless such period is extended by the Board, or a committee of the Board, and approval is obtained from the stock exchange on which the shares of the Corporation trade and in no event after the expiry date of the Participant's option.
9. If a Participant ceases to be a Participant of the Corporation for any reason (other than death), he or she may, but only within 90 days, or 30 days if the Participant is providing investor relations services, following his or her ceasing to be a Participant, exercise his or her stock option to the extent that he or she was entitled to exercise it at the date of such cessation, subject to an extension of up to a maximum of one year from the date of such cessation, as approved by the Board or applicable committee.
10. The Board may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.
11. The stock options are non-assignable and non-transferable.

PENSION BENEFITS

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as noted below, the Corporation, nor any of its subsidiaries, have entered into any other contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Corporation or a change in an NEOs responsibilities.

The Corporation entered into the Employment Agreement with its President and CEO, Michael Murphy, pursuant to which Mr. Murphy is paid annual remuneration of \$100,000 (increased to \$150,000 effective December, 2010) plus benefits, and an annual bonus in an amount and subject to such personal and corporate factors as shall be determined by the GC&N Committee, with the approval of the Board in its sole discretion. Mr. Murphy and the Corporation have agreed to a reduction in Mr. Murphy's base annual salary from \$150,000 to \$50,000 for the calendar year ended December 31, 2014 and to a reduction to a nil salary for the calendar year ended December 31, 2015 and 2016. The Employment Agreement may be terminated on notice by Mr. Murphy to the Corporation by giving thirty (30) days' written notice, which notice may be waived in whole or in part by the Corporation. The Corporation may terminate the Employment Agreement as follows:

- (i) without notice or payment in lieu of notice, severance payments, benefits, damages or any sums whatsoever for “just cause”;
- (ii) without cause upon provision of (1) the greater of (a) such minimum notice or pay in lieu of notice as is required under applicable law; and (b) one months’ base salary; (2) payment in lieu of any bonus for the period noted in (1), at the discretion of the Board; (3) payment in lieu of accrued and unused vacation; and (4) continuing benefits under applicable health and benefit plans at the expense of the Corporation until the earlier of Mr. Murphy obtaining alternative coverage under any new employment or the length of the period noted in (1) above, or payment in lieu thereof; or
- (iii) upon the disability of Mr. Murphy either (1) for a period in excess of 24 months; or (2) for a lesser period where the position of Mr. Murphy (or a comparable position) is not available upon Mr. Murphy’s recovery from such disability, in the event that the Corporation provides the payments noted in item (ii) above, all subject to the terms and conditions of the Employment Agreement.

The table below sets out the estimated incremental payments, payables and benefits due to Mr. Murphy on termination:

- (a) without cause, assuming termination on April 30, 2017; and
- (b) on a change of control or resignation for good cause, following a change of control assuming termination or resignation on April 30, 2017.

Name	Base Salary (\$)	Bonus (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total (\$)
Michael Murphy, President and CEO	\$4,167 ⁽¹⁾	Nil ⁽²⁾	Nil ⁽³⁾	Nil	\$4,167

Notes:

- (1) Or such greater amount as Mr. Murphy is entitled to receive under the *Employment Standards Act* (British Columbia).
- (2) Payment in lieu of bonus in any amount to be determined by the Board at its sole discretion.
- (3) All options vest and are exercisable until termination date, notwithstanding provisions of the Corporation’s Plan or other agreements.

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Corporation or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the Board of its subsidiaries, or as consultants or experts, during the Corporation’s most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gary Brown	\$Nil	N/A	\$13,403	N/A	\$Nil	\$Nil	\$13,403
Alan Matthews	\$Nil	N/A	\$13,403	N/A	\$Nil	\$Nil	\$13,403
Craig Roberts	\$Nil	N/A	\$43,169	N/A	\$Nil	\$Nil	\$43,169

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	<u>2017</u>
Risk-free interest rate:	0.83%
Expected dividend yield:	Nil
Expected volatility:	238%
Expected life of options:	5 years

The Corporation has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Corporation's financial statements.

No share-based awards were granted by the Corporation during the last completed financial year and the Corporation does not have any non-equity incentive plans.

Narrative Discussion

are compensated through the grant of stock options and accordingly, no directors' fees were paid during the last completed financial year.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Corporation does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Corporation, other than the NEOs as previously disclosed, which are outstanding at the end of the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Gary Brown	90,000	\$0.10	October 13, 2020	\$9,000
	78,000	\$0.10	April 4, 2021	\$7,800
	75,000	\$0.18	February 24, 2022	\$1,500
Alan Matthews	90,000	\$0.10	October 13, 2020	\$9,000
	78,000	\$0.10	April 4, 2021	\$7,800
	75,000	\$0.18	February 24, 2022	\$1,500

Craig Roberts	150,000	\$0.20	August 9, 2021	\$0
	75,000	\$0.18	February 24, 2022	\$1,500

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Corporation’s shares on April 30, 2017 over the exercise price of the options. The closing price of the Corporation’s common shares on April 27, 2017, being the last day that the shares of the Corporation traded during the Corporation’s April 30, 2017 year end, was \$0.20.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Gary Brown	Nil ⁽¹⁾	N/A	N/A
Alan Matthews	Nil ⁽¹⁾	N/A	N/A
Craig Roberts	Nil ⁽¹⁾	N/A	N/A

Note:

- (1) All options granted to the directors during the most recently completed financial year vested on the date of grant and the exercise price of such options was equal to the closing price of the Corporation’s shares on the date of grant.

No share-based awards were granted by the Corporation during the last completed financial year and the Corporation does not have any non-equity incentive plans.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Corporation which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	956,000	\$0.14	607,128
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	956,000		607,128

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Corporation, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Corporation since the beginning of the most recently completed financial year of the Corporation.

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

Other than as disclosed in this Circular, no director or executive officer of the Corporation or any proposed nominee of Management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Corporation's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation entered into a binding letter agreement (the "**Agreement**") dated August 2, 2016, with Alan Matthews, a director of the Corporation, of 28725 N 74th Street, Scottsdale, Arizona 85266-2156, who holds a 50% interest in the Property, and Robert F. Weicker, of Suite 2801, 1166 Melville Street, Vancouver, British Columbia V6E 4P5 (together, the "**Optionors**"), pursuant to which Agreement, the Corporation was granted an option to acquire up to a 100% interest in the Lucky Mica Claim Group (the "**Property**"). Pursuant to the Agreement, the Corporation could earn a 75% interest in the Property, subject to a 0.5% net smelter return royalty, ("**NSR**"), by making cash payments and share issuances over a two year period. The Corporation could earn the remaining 25% interest, subject to a 0.667% NSR, by making cash payments and shares issuances over the ensuing two year period.

The Corporation entered into a new option agreement dated July 27, 2017 (the "**Amended Agreement**") pursuant to which Amended Agreement, the Corporation can earn a 100% interest in the Property, subject to a .667% NSR, by paying US\$7,500 on the date of execution of the Amended Agreement, which amount has been paid, by paying US\$10,000 within three business days of the approval date of the original Agreement, which amount has been paid, by paying US\$30,000 on or prior to the earlier of i) 15 months following the date of the Amended Agreement or ii) the date of completion by the Corporation of an equity financing to raise aggregate gross proceeds of not less than \$500,000, which amount has been paid and the issuance and delivery of 300,000 common shares of the Corporation, of which shares 200,000 have been issued. The Corporation may acquire the NSR by making a one-time cash payment of US\$1,000,000.

Other than the above, and as disclosed elsewhere in this Circular, none of the persons who were directors or executive officers of the Corporation or a subsidiary, at any time since the commencement of the Corporation's last completed financial year, the proposed nominees for election to the Board, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Corporation, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants, of PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia V6C 3S7 is the Corporation's auditor and was first appointed as the Corporation's auditor on February 25, 2013. Proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Corporation to hold office for the ensuing year with remuneration to be fixed by the Board.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Corporation are to any substantial degree performed by a person or corporation other than the directors or NEOs of the Corporation.

AUDIT COMMITTEE

The Corporation is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Corporation's current Audit Committee consists of Michael Murphy, Gary Brown and Alan Matthews.

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation's Board, reasonably interfere with the exercise of the member's independent judgment. All of the members of the Corporation's Audit Committee are "independent" within the meaning of NI 52-110, except for Michael Murphy, who is also the President and CEO of the Corporation.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Gary Brown is a director of the Corporation and is currently the Senior Vice-president and CFO of Wheaton Precious Metals Corp., a position which he has held since June, 2008. Prior to that, Mr. Brown was the CFO of TIR Systems Ltd. Mr. Brown has also held senior finance positions at CAE Inc.,

Westcoast Energy Inc. and Creo Inc. and holds designations as both a chartered professional accountant and a chartered financial analyst.

Michael Murphy is the President, CEO and a director of the Corporation, director of Torex Gold Inc. and President of Woodman Capital Ltd., a private consulting company. Mr. Murphy previously spent 15 years working in institutional equities in London, with Merrill Lynch, Donaldson, Lufkin & Jenrette and Credit Suisse, where he managed the hedge fund coverage team. Mr. Murphy graduated from the London School of Economics and Political Science with a Master of Science in Finance and from Saint Mary's University with a Master of Business Administration. Mr. Murphy has also completed a director's education course at the Institute of Corporate Directors. Accordingly, the Board believes that Mr. Murphy has the relevant experience to serve as a member of the Audit Committee.

Alan Matthews is a Mining Engineer and a Professional Member of the Institute of Materials, Minerals and Mining and a Chartered Engineer (C.Eng) and has for several years acted as a Member of the Audit Committee for several public companies including International Minerals Inc., Kernow Resources and Developments Ltd. and Galena International Resources Ltd. Mr. Matthews has, in the past, been a member of the Audit Committee for the Corporation. Mr. Matthews is financially literate and has the ability to read and understand a set of financial statements relative to the Corporation's financial situation.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Audit Committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Corporation and its subsidiaries to PricewaterhouseCoopers LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	18,900	30,000
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	Nil	Nil
All other fees ⁽⁴⁾	<u>Nil</u>	<u>600</u>
Total	<u>\$18,900</u>	<u>\$30,600</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Corporation’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above. The fees disclosed are comprised of Canadian Public Accountability Board fees.

Exemption in Section 6.1

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Corporation in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Corporation’s approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals to the Board, all of whom are current directors of the Corporation.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. The “material relationship” is defined as a relationship which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a director’s independent judgement. Of the proposed

nominees, Michael Murphy, as President and CEO, is an “insider” or management director and accordingly, such person is not considered to be “independent” within the meaning of NI 52-110. The three other directors, Gary Brown, Alan Matthews and Craig Roberts, are considered by the Board to be “independent” within the meaning of NI 52-110.

The Corporation does not currently have a Chairman of the Board.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Corporation, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Corporation and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Corporation is delegated by the Board to the CEO and the CFO. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee, a GC&N Committee and a Disclosure Committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Corporation and establishes the duties and responsibilities of those positions and on the recommendation of the CEO, appoints the senior officers of the Corporation and approves the senior management structure of the Corporation.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Corporation are subject to prior approval of the Board. The Board shall meet not less than four times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the By-Laws of the Corporation, of any director.

The mandate of the Board is to manage or supervise Management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation’s affairs directly and through its committees.

Directorships

The following directors of the Corporation are also directors of other reporting issuers as stated:

- Michael Murphy is a director of Torex Gold Inc.; and
- Craig Roberts is a director of Ethos Gold Corp. and West Melville Metals Inc.

The Board has developed written position descriptions for the chair of each Board committee and the CEO.

Orientation and Continuing Education

The Board’s practice is to recruit for the Board only persons with extensive experience in the mining and mineral exploration business and in public company matters. Prospective new board members are

provided a reasonably detailed level of background information, verbal and documentary, on the Corporation's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board has adopted a formal written Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees. A copy of the Code may be accessed on the Corporation's website at www.redzoneresources.ca.

The Board promotes ethical business conduct through the nomination of Board members it considers ethical, through avoiding and minimizing conflicts of interest and by having a majority of its Board members independent of corporate matters. Where a director has a material interest in a transaction or agreement concerning the Corporation, the Board takes such steps as may be prudent to isolate and eliminate or reduce the potential for such a conflict of interest to interfere with the Board's exercise of independent judgment.

In accordance with applicable corporate law, any director who is in a position of conflict must refrain from voting on any resolution of the Board with respect to the conflict. The Board may also require the director to excuse himself or herself from deliberations of the Board or may alternatively refer the matter for consideration by a committee of independent directors of the Board.

Whistleblower Policy

The Corporation has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made to the members of the Corporation's Audit Committee who then investigate each matter so reported and takes corrective and disciplinary action, if appropriate.

Nomination and Assessment

The GC&N Committee currently consists of three members; namely, Alan Matthews, Michael Murphy and Craig Roberts. Messrs. Matthews and Roberts are considered independent. Mr. Murphy, who is also the President and CEO of the Corporation, is not considered independent. The GC&N Committee is responsible for identifying individuals qualified to become new board members and for recommending to the Board the new director nominees for the next annual meeting of shareholders. The Board has not adopted a formal procedure for nominating new directors, and the powers in this respect of the GC&N Committee are limited to making recommendations to the Board.

The GC&N Committee's primary role is to: (i) develop and monitor the effectiveness of the Corporation's system of corporate governance; (ii) establish procedures for the identification of new nominees to the Board and lead the candidate selection process; (iii) develop and implement orientation procedures for new directors; (iv) assess the effectiveness of directors, the Board and the various committees of the Board; (v) ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of Management, the Board, and its committees; (vi) assist the Board in setting the objectives for the CEO of the Corporation and evaluate the CEO's performance; (vii) establish a remuneration and benefits plan for directors, executives and other key employees; (viii) review the

adequacy and form of compensation of directors and senior management; (ix) establish a plan of succession; (x) undertake the performance evaluation of the CEO in consultation with the Chair; and (xi) make recommendations to the Board.

Compensation

The quantity and quality of the Board compensation is reviewed on an annual basis by the GC&N Committee. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Corporation. As well, the number of stock options to be granted is determined by the Board as a whole, on the recommendations of the GC&N Committee, which allows the independent directors to have input into compensation decisions.

The GC&N Committee is responsible for recruiting, retaining and motivating employees and ensuring conformity between compensation and other corporate objectives and reviewing and recommending for Board consideration, all compensation packages, both present and future, for the Corporation's Management and directors (including annual retainer, meeting fees, bonuses and option grants) including any severance packages.

In exercising its mandate, the GC&N Committee sets the standards for the compensation of directors, employees and officers based on industry data and with the goal to attract, retain and motivate key persons to ensure the long term success of the Corporation. Compensation generally includes the three (3) following components: base salary, annual bonus based on performance and grant of stock options. The GC&N Committee takes into account the increased competition in the market for its key personnel while also taking into account the performance and objectives set forth for the Corporation.

The GC&N Committee is accountable to the Board and reports to the Board at its next regular meeting all deliberations and actions it has taken since any previous report. Minutes of GC&N Committee meetings will be available for review by any member of the Board on request to the GC&N Committee.

Corporate Governance

The purpose of the GC&N Committee is to monitor and to generally be responsible for developing the Corporation's governance and human resources policies and guidelines and overseeing their implementation and administration.

The GC&N Committee is responsible for ensuring a compensation policy and practice that is supportive of the Corporation's business strategies and that appropriately links senior management performance and compensation. In addition, the GC&N Committee shall ensure the recruitment, ongoing long-term development and deployment of high calibre senior management. In particular, the GC&N Committee shall establish levels of salary, bonus, benefits and incentives provided to persons acting as officers of the Corporation.

Annually, following the annual general meeting of the Corporation, the Board elects from its members at least two directors to serve on the GC&N Committee. Each member holds office until the close of the next annual general meeting of the Corporation or until the member resigns or is replaced, whichever first occurs. The Board appoints one of the directors on the GC&N Committee as the chairperson (the "**GC&N Committee Chairperson**"), whose duties include overseeing the proper functioning of the GC&N Committee to ensure the proper discharge of its duties, to schedule meetings and to ensure timely reporting to the Board.

Disclosure Committee

In addition to the Audit Committee and the GC&N Committee, the Board has established a Disclosure Committee, which is responsible for overseeing the Corporation's regulatory disclosure and the Corporation's disclosure practices. The members of the Disclosure Committee are Michael Murphy, Gary Brown and Rebecca Moriarty.

Assessments

The GC&N Committee is responsible for overseeing and evaluating the Board, the committees of the Board, and the contribution of individual directors. The GC&N Committee is obliged to prepare an annual performance evaluation of the Board, which report compares the performance of the Board with the requirements of its written mandate. The GC&N Committee is also obliged to conduct an annual performance evaluation of each director, which evaluation will assess the contribution of each director. The performance evaluations undertaken by the GC&N Committee will be conducted in such manner as the members thereof deem appropriate.

The Board believes its corporate governance practices are appropriate and effective for the Corporation, given its size and operations. The Corporation's corporate governance practices allow the Corporation to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

Confirming Stock Option Plan

Shareholders will be asked to confirm approval of the existing Plan as required annually by the policies of the TSXV.

The Plan was initially adopted by shareholders of the Corporation on December 8, 2009 and shareholders approved certain amendments to the Plan on October 31, 2013. Other than amendments made to the Plan to include certain provisions of Policy 4.4 of the TSXV, which amendments were made at the request of the TSXV, there have been no changes to the Plan subsequent to those changes approved by shareholders on October 31, 2013.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant. If any stock option granted expires, is cancelled or terminates for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purpose of the Plan. All options granted under the Plan may not have an expiry date exceeding five years from the date on which the Board grants and announces the granting of the option.

2. The Board shall determine to whom stock options shall be granted, the terms and provisions of the respective stock option agreements, the time or times at which such stock options shall be granted, and the number of shares to be subject to each stock option. The stock options shall vest and may be exercised (in each case to the nearest full share) during the option period in such manner as the Board may fix by resolution, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to persons providing investor relations services must vest in stages over not less than 12

months with no more than one-quarter (1/4) of the options vesting in any three month period. Stock options which have vested may be exercised in whole or in part at any time and from time to time during the option period.

3. The exercise price of the options is determined by the Board. The exercise price shall not be less than the Closing Price of the Corporation's shares on the stock exchange or stock exchanges on which the shares of the Corporation are listed on the last trading day immediately preceding the date of grant of the option, less any allowable discounts, subject to a minimum price of \$0.10.

4. The maximum number of shares subject to stock options granted to a Participant shall be determined by the Board, but no Participant shall be granted stock options within a one year period of time which exceed 5% of the issued and outstanding shares of the Corporation (on a non-diluted basis).

5. The maximum number of options which may be granted to insiders under the Plan, any other employer stock option plans or options for services, within any 12 month period, shall be 10% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

6. The maximum number of stock options which may be granted to any one consultant under the Plan, any other employer stock option plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of grant (on a non-diluted basis).

7. The maximum number of stock options which may be granted to investor relations persons under the Plan, any other employer stock option plans or options for services, within any 12 month period, must not exceed, in the aggregate, 2% of the shares issued and outstanding at the time of grant (on a non-diluted basis).

8. The stock option period shall be a period of time fixed by the Board, subject to the death or disability of the Participant. In the event of the death of a Participant, the stock option will be exercisable only within 12 months following the Participant's death, unless such period is extended by the Board or a committee of the Board, and approval is obtained from the stock exchange on which the shares of the Corporation trade and in no event after the expiry date of the Participant's option.

9. If a Participant ceases to be a Participant of the Corporation for any reason (other than death), he or she may, but only within 90 days, or 30 days if the Participant is providing investor relations services, following his or her ceasing to be a Participant, exercise his or her stock option to the extent that he or she was entitled to exercise it at the date of such cessation, subject to an extension of up to a maximum of one year from the date of such cessation, as approved by the Board or applicable committee.

10. The Board may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.

11. The stock options are non-assignable and non-transferable.

In accordance with the policies of the TSXV, a plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting.

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

“BE IT RESOLVED THAT the Stock Option Plan is hereby approved and confirmed.”

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Financial information about the Corporation is provided in the Corporation's comparative annual financial statements to April 30, 2017, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Corporation's SEDAR profile at www.sedar.com.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Corporation.

DATED at Vancouver, British Columbia, the 13th day of October, 2017.

ON BEHALF OF THE BOARD

(signed) "*Michael Murphy*"

Michael Murphy,
President and Chief Executive Officer

REDZONE RESOURCES LTD.

Schedule "A"
Audit Committee Charter

(SEE ATTACHED)

REDZONE RESOURCES LTD.

AUDIT COMMITTEE MANDATE

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and to evaluate their compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board"), all of whom shall be "independent directors", as that term is defined in Multilateral Instrument 52-110, "Audit Committees".
2. All of the members of the Committee shall be "financially literate" (i.e. able 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).
3. At least one member of the Committee shall have accounting or related financial expertise (i.e. able to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with generally accepted accounting principles).
4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
5. Unless the Board shall have appointed a chair of the Committee or in the event of the absence of the chair, the members of the Committee shall elect a chair from among their number.
6. The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Corporate Secretary, unless otherwise determined by the Committee.
7. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
8. The Committee shall have access to such officers, employees and external auditors of Redzone, and to such information respecting Redzone, as it considers necessary or advisable in order to perform its duties and responsibilities.

9. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the Chair of the Committee shall be responsible for developing and setting the agenda for Committee meetings and determining the time and place of such meetings;
 - (d) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:
 - (i) Chief Executive Officer;
 - (ii) Chief Operating Officer and
 - (iii) Chief Financial Officer;
 - (e) other management representatives shall be invited to attend as necessary; and
 - (f) notice of the time and place of every meeting of the Committee shall be given in writing to each member of the Committee a reasonable time before the meeting.
10. The external auditors shall have a direct line of communication to the Committee through its Chair and may bypass management if deemed necessary. The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
11. The Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to accounting principles, reporting practices and internal controls and its approval of Redzone's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the internal and external auditors and assess their performance;

- (c) to ensure that management has designed, implemented and is maintaining an effective system of internal financial controls;
 - (d) to ensure that the management has established effective risk management controls; and
 - (e) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by Redzone, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of Redzone' financial and auditing personnel;
 - (iv) co-operation received from Redzone' personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of Redzone;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the external auditors are to:
- (a) periodically review the external audit function with respect to the organization, staffing and effectiveness of the corporation;

- (b) review and approve the internal audit plan; and
 - (c) review any significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures are to:
- (a) review the appropriateness and effectiveness of the policies and business practices which impact on the financial integrity of Redzone, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under Redzone' Business Conduct Policy and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls; and
 - (d) periodically review the financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the consolidated financial statements;

- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders; and
- (j) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing.

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