



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE** is hereby given that the Annual General and Special Meeting (the "Meeting") of **FORT ST. JAMES NICKEL CORP.** (the "Corporation" or "Fort. St. James") will be held at 2nd Floor, 888 Dunsmuir Street, Vancouver, British Columbia on **Friday, March 31, 2017, at 2:00 p.m.** (local time), for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the fiscal year ended April 30, 2016 together with the auditor's report thereon.
2. To elect directors to hold office until the next Annual General Meeting and to fix the number of directors at 3.
3. To appoint auditor for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the auditor.
4. To approve Stock Option Plan of the Corporation, as required annually by the TSX Venture Exchange, our 2009 Stock Option Incentive Plan, as amended and restated; and
5. To pass, with or without amendment, a special resolution to consolidate all of the Corporation's authorized and issued shares on the basis of one (1) new common share for up to three (3) existing common shares or such lesser ratio as may be approved by the directors, as more particularly described in the accompanying Information Circular.
6. To consider and, if thought fit, approve an ordinary resolution to ratify, approve and confirm all lawful acts, contracts, proceedings, appointments and payments of money of and by the directors of the Corporation since the date of the Corporation's last annual general meeting.
7. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting are an Information Circular and a Proxy. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Only holders of common shares of record at the close of business on February 21, 2017 will be entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his or her place. If you are unable to attend the Meeting or any adjournment in person, please read the Notes accompanying the enclosed Proxy and then complete, sign, and date the Proxy and return it within the time and to the location set out in the Notes. The Corporation's management is soliciting the enclosed Proxy but, as set out in the Notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 21<sup>st</sup> day of February 2017.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Barry Brown"*

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**BARRY BROWN**  
President and Chief Executive Officer



## MANAGEMENT INFORMATION CIRCULAR

(Containing information as at February 21, 2017 unless indicated otherwise)

This Information Circular is being mailed by the management of Fort St. James Nickel Corp. (“**Fort St. James**” or the “**Corporation**”) to everyone who was a shareholder of record of Fort St. James on February 21, 2017, which is the date that has been fixed by the directors of Fort St. James as the record date to determine the shareholders who are entitled to receive notice of the meeting.

We are mailing this Information Circular in connection with the solicitation of proxies by and on behalf of our management for use at the annual general and special meeting of the shareholders of Fort St. James that is to be held on **Friday, March 31, 2017 at 2:00 p.m.** (local time) at **2<sup>nd</sup> Floor, 888 Dunsmuir Street, Vancouver, British Columbia**. The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of Fort St. James may also solicit proxies by telephone or in person. The cost of solicitation will be borne by Fort St. James.

Under Fort St. James’ Bylaws, at least two persons must be present in person or represented by proxy, each being a shareholder entitled to vote at the meeting, before any action may validly be taken at the meeting. If such a quorum is not present in person or by proxy, we will reschedule the meeting.

### **PART 1 – VOTING**

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#### **How a Vote is Passed**

All of the matters that will come to a vote at the meeting as described in the attached Notice of the meeting are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, then the resolution is approved.

See Part 3 – The Business of the Meeting for more details on the proposed resolutions to be put to shareholders at the meeting.

#### **Who Can Vote?**

If you are a registered shareholder of Fort St. James as at February 21, 2017, you are entitled to attend at the meeting and cast a vote for each share registered in your name on all resolutions put before the meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the meeting. If you are a registered shareholder but do not wish to, or cannot, attend the meeting in person, you can appoint someone who will attend the meeting and act as your proxyholder to vote in accordance with your instructions. See Part 1 – Voting – Voting by Proxy. If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “Non-registered Shareholders” set out below.

It is important that your shares be represented at the meeting regardless of the number of shares you hold. If you will not be attending the meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

## Voting by Proxy

If you do not come to the meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy. In order to be valid, you must return the completed form of proxy at least 48 hours (excluding Saturday, Sunday and holidays) before the time of the meeting or adjournment thereof to our transfer agent, Computershare Trust Company of Canada at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Instructions on the form of proxy included with this Information Circular

### *What is a proxy?*

A form of proxy is a document that authorizes someone to attend the meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### *Appointing a proxyholder*

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder of Fort St. James. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and officers of Fort St. James.

### *Instructing your proxy*

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the meeting as follows:

- √ **FOR the election of the proposed nominees as directors;**
- √ **FOR the appointment of the auditor of Fort St. James;**
- √ **FOR the resolution to authorize the directors to fix the auditor's remuneration;**
- √ **FOR the resolution approving, as required annually by the TSX Venture Exchange, the 2009 Stock Option Incentive Plan, as amended and restated; and**
- √ **FOR the special resolution to approve the Consolidation Resolution (as defined and the full text of which is set out herein);**

For more information about these matters, see Part 3 – The Business of the Meeting. The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting. At the time of printing this Information Circular, management of Fort St. James is not aware of any other matter to be presented for action at the meeting. If, however, other matters do properly come before the meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

## *Changing your mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which clearly indicates that you want to revoke your proxy and delivering this signed written statement to the head office of Fort St. James at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, V6C 3K4; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (local time) on the last business day before the day of the meeting, or any adjournment thereof, or delivered to the person presiding at the meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the meeting in person.

### **Non-Registered Shareholders**

If your shares are not registered in your own name, they will be held in the name of a “nominee,” usually a bank, trust company, securities dealer or other financial institution and, as such, your nominee will be the entity legally entitled to vote your common shares and must seek your instructions as to how to vote your shares. Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders’ meetings, you will have received this Information Circular from your nominee, together with a form of proxy or a request for voting instruction form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.** If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, Fort St. James’ transfer agent will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signature and return instructions provided by your nominee. It is not necessary to complete the form in any other respect, since you will be voting at the meeting in person. Please register with the scrutineer, who will be a representative of our transfer agent, Computershare Trust Company of Canada, upon arrival at the meeting.

The Notice of Meeting and this Information Circular, together with Fort St. James’ audited consolidated financial statements and related Management’s Discussion and Analysis for the year ended April 30, 2016, are being sent to both registered and non-registered owners of our common shares. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of Fort St. James have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you directly, Fort St. James (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form, which is included with this Information Circular.

In accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, Fort St. James has elected to send proxy-related materials directly to non-objecting beneficial owners of its common shares. As Fort St. James is unable to send proxy-related materials directly to the objecting beneficial owners (“**OBOs**”) of its common shares (because OBOs are beneficial shareholders who have objected to the release of security ownership details to issuers), proxy related materials for the meeting to which this Circular relates will be sent to OBOs indirectly through the intermediaries who hold securities on behalf of the OBOs. The intermediaries/brokers (or their service companies) are responsible for forwarding the proxy related materials to their OBO clients. Management of Fort St. James does not intend to pay for intermediaries to forward to their OBO clients the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* under NI 54-101 and, as such, OBOs will not receive the proxy-related materials in connection with the meeting unless such OBO’s intermediary assumes the cost of delivery.

Fort St. James has chosen to not use the notice-and-access delivery procedures provided by NI 54-101.

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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Fort St. James has authorized voting capital of an unlimited number of common shares. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on February 21, 2017, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the meeting.

At the close of business on February 21, 2017, 8,883,418 common shares were issued and outstanding. To the knowledge of our directors and officers, the only persons or companies who or which beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of our common shares on that date were:

| <u>Name<sup>(1)</sup></u> | <u>Number of common shares<sup>(1)</sup></u> | <u>Percentage of issued shares</u> |
|---------------------------|--|------------------------------------|
| Gerald Mitton             | 3,590,338 <sup>(2)</sup>                     | 40%                                |

(1) Information as to ownership of shares has been extracted from insider reports filed by the individual and available through the Internet on the System for Electronic Disclosure by Insiders (SEDI), or has been provided by the individual.

(2) 3,590,338 of these common shares are held and controlled by Gerald Mitton.

## **PART 3 - THE BUSINESS OF THE MEETING**

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### **FINANCIAL STATEMENTS**

The audited financial statements of Fort St. James for the year ended April 30, 2016, will be placed before you at the meeting. A copy of Fort St. James' audited consolidated financial statements and Management's Discussion and Analysis for the year ended April 30, 2016, have been mailed to shareholders with the Notice of Annual Meeting and this Information Circular.

### **ELECTION OF DIRECTORS**

Directors of Fort St. James are elected for a term of one year. The term of office of each of the current directors will expire at the meeting and the nominees for election as directors at the meeting to which this Circular relates, if elected, will serve until the close of the next annual meeting unless he resigns or otherwise vacates office before that time. Under our Articles, Fort St. James shall have a minimum of three and a maximum of 12 directors, the number of directors to be determined from time to time by resolution of the Board of Directors. We currently have three directors and, pursuant to Fort St. James' By-Laws, the directors have set the number of directors to be elected at the meeting at three.

#### *Nominees for Election*

The following are the nominees proposed for election as directors of Fort St. James, together with the number of common shares that are beneficially owned, directly or indirectly, or over which control or direction is exercised by each nominee as of February 21, 2017, the record date for the meeting to which this Circular relates. All of the nominees are currently serving as directors of Fort St. James, having been elected by shareholders as directors. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

Fort St. James has not, as yet, adopted a majority voting policy for election of directors at uncontested shareholder meetings at which directors are to be elected. See Part 7 – Corporate Governance – Nomination and Election of Directors.

Voting for election of directors of Fort St. James is by individual voting and not by slate voting. You can vote your shares for the election of all of these nominees as directors of Fort St. James; or you can vote for some of these nominees for election as directors and withhold your votes for others; or you can withhold all of the votes attaching to the shares you own and, thus, not vote for the election of any of these nominees as directors of Fort St. James.

Fort St. James' management recommends that shareholders vote in favour of the nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the three nominees as directors of Fort St. James for the ensuing year.**

| <b>Name<br/>Place of residence and Current<br/>position<br/>with the Company</b> | <b>Principal occupation</b>   | <b>Director since</b> | <b>Number of<br/>shares<sup>(1)</sup></b> |
|--|---|-----------------------|---|
| Barry Brown <sup>(2)</sup><br><i>President, CEO &amp; Director</i>               | President of Barry Developments Ltd., a wholly owned private company involved in the organization, reorganization and management of private and public companies, he has over 35 years of experience as a director and/or officer of a number of public companies. He received a Bachelor of Commerce degree in finance from the University of British Columbia in 1976.  | December 22, 2015     | 350,000                                   |
| Scott Kent <sup>(2)</sup><br><i>Director and Corporate Secretary</i>             | Firefighter, Surrey Fire Department since August 2003 and Independent Businessman.  | July 11, 2006         | Nil                                       |
| Quinn Field-Dyte <sup>(2)</sup><br><i>British Columbia, Canada</i>               | Investment Advisor; he has over 8 years' experience in the financial services industry, having served from 1996 to 2004; consultant to Raytec Development Corp. from 2004 to 2010, he was involved in the interactive entertainment industry working at Electronic Arts Inc. (EA Games) and co-founding Embassy Interactive Games before returning to the financial industry in 2010. He currently sits on the board of multiple publicly traded companies. | Nominee               | Nil                                       |

(1) Information as to ownership of shares has been extracted from insider reports filed by the individuals and available through the Internet on the System for Electronic Disclosure by Insiders (SEDI), or has been provided by the individuals. Shareholdings are as of February 21, 2017, the record date for the meeting to which this Circular relates.

(2) Member of the Audit Committee (see Part 14 – Audit Committee). This is the only committee of the Board of Directors.

## APPOINTMENT OF THE AUDITOR

Lancaster & David, Chartered Accountants, have served as Fort St. James' auditor since their appointment on July 17, 2007, and have issued the audit reports in connection with Fort St. James' financial years ended April 30, 2007 through 2016. See Part 6 – Audit Committee – External Auditor Service Fees.

Management of Fort St. James recommends that shareholders vote in favour of the appointment of Lancaster & David, Chartered Accountants, as Fort St. James' auditor for the ensuing year and in favour of granting the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Lancaster & David as our auditor until the close of our next annual meeting and also intend to vote FOR the proposed resolution granting the Board of Directors the authority to fix the auditor's remuneration.**

## ALTERATION OF ISSUED SHARE CAPITAL

The board of directors has determined that it would be in the best interests of the Company and its shareholders to consolidate (the "Consolidation") all of the issued and outstanding common shares of the Company up to a maximum of three (3) old common shares for one (1) new common share basis, or such lesser ratio as may be approved by the directors and the TSX Venture Exchange ("TSX-V"). As at the record date, the authorized share capital of the Company consists of an unlimited number of common shares of which 8,883,418 are outstanding. If the Consolidation is approved and implemented, the number of issued and outstanding common shares will decrease to a minimum of approximately 2,961,139 common shares (based upon a 3 to 1 consolidation ratio). The Shareholders of the Company will be asked at the Meeting or any adjournment thereof, to consider and, if thought fit, pass, with or without amendment, a resolution approving the Consolidation. The TSX-V and the Articles of the Company require a consolidation of the issued and outstanding common shares to be approved by the shareholders.

In addition, Shareholders of the Company will be requested at the Meeting to empower the board of directors of the Company to decide, in its sole discretion and after receiving Shareholder approval to the Consolidation, to determine the final ratio of the Consolidation to a maximum of three (3) old for one (1) new, or not to proceed with the Consolidation without further approval or action by, or prior notice to, the Shareholders. Subject to the exercise of such discretion by the board of directors, Notice of Alterations in the prescribed form will be filed with the Registrar of Companies ("Registrar") under the Canada Business Corporations Act (British Columbia) ("CBCA") and such alteration will take effect at the time the notice is filed with the Registrar.

### *Purpose and Benefit of the Consolidation*

The board of directors of the Company believes that the Consolidation is necessary and as such, the Consolidation should lead to increased interest by a wider audience of potential investors resulting in a more efficient market for the common shares. There can be no assurances however that the market price of the common shares will increase as a result of the Consolidation. The Consolidation will not materially affect any Shareholder's percentage ownership in the Company, even though such ownership will be represented by a smaller number of shares. No fractional common shares will be issued as a result of the Consolidation. If, as a result of the Consolidation, the holder of common shares would otherwise be entitled to a fraction of a common share, the number of post-Consolidation common shares issuable to such Shareholder shall be rounded down.

### *Share Certificates*

Following the effective date of the Articles of Amendment giving effect to the Consolidation and as soon as practicable, letters of transmittal will be sent by mail to all holders of common shares then issued and outstanding for use in transmitting their share certificates to the Company's registrar and transfer agent, Computershare Investor Services Inc., in exchange for new certificates representing the number of common shares to which such shareholder is entitled as a result of the Consolidation. Upon return of a properly completed letter of transmittal, together with certificates evidencing the common shares of the Company, certificates for the appropriate number of new consolidated common shares will be issued at no charge. No certificates for fractional consolidated common shares will be issued.

### *Form of Special Resolution*

Shareholders of the Company will be asked to pass the following special resolution:

“RESOLVED, as a special resolution, that:

1. all of the common shares without par value in the capital of the Company, both issued and unissued, be consolidated, subject to the determination of the directors, into common shares without par value, every one (1) new common share for up to a maximum of three (3) existing common shares or such lesser ratio as may be approved by the directors and the TSX Venture Exchange;
2. the directors of the Company be and they are hereby authorized and directed to make a determination as to whether or not to proceed with the proposed consolidation (the “Consolidation”) of the Company’s common shares on the basis of one (1) new common share for up to a maximum of three (3) existing common shares; and
3. the directors of the Company are hereby authorized to amend the terms of the resolution placed before the shareholders with regard to the Consolidation so as to give effect to the Consolidation ratio which they shall determine.”

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the alteration of share capital and the authorization of the directors as to whether or not to proceed with the proposed consolidation.**

### **ANNUAL APPROVAL OF STOCK OPTION PLAN**

TSX Venture Exchange policies require that rolling stock option plans that set the number of shares issuable under a plan at a maximum of 10% of the issued and outstanding shares from time to time must be approved and ratified by shareholders and submitted to the Exchange for approval on an annual basis. At the meeting, shareholders will be asked to consider and, if thought advisable, pass, by way of an ordinary resolution, approval and ratification of our 2009 Stock Option Incentive Plan, as amended and restated (the “**2009 Plan**”), as required annually by the policies of the Exchange.

#### *Summary of the 2009 Plan*

The Board of Directors of Fort St. James adopted the 2009 Plan on September 29, 2009 and implemented it upon receipt of shareholder and Exchange approvals received on October 29, 2009, and January 18, 2010, respectively. Subsequently, the 2009 Plan received annual shareholder and Exchange approvals following annual shareholder meetings held during calendar 2010, 2011, 2012, 2013, 2014 and 2015.

The aggregate number of common shares reserved for issuance under the 2009 Plan, and common shares reserved for issuance under any other share compensation arrangement granted or made available by Fort St. James from time to time, may not exceed 10% of Fort St. James’ issued and outstanding common shares at the time of grant. As at the date of this Circular there are incentive stock options outstanding and governed by the 2009 Plan entitling employees, officers and directors of, and consultants to, Fort St James to purchase an aggregate of 600,000 common shares. The number of common shares available for future issuance pursuant to option yet to be granted under the 2009 Plan, of the date of this Circular, is 288,432.

The 2009 Plan is administered by the Board of Directors and provides for grants of options to directors, executive officers and employees or management company employees of, and consultants to, Fort St. James at the discretion of the Board. The exercise price of options granted under the 2009 Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the Exchange.

Pursuant to the terms of the 2009 Plan, options to acquire more than 2% of the issued and outstanding common shares of Fort St. James may not be granted to any one consultant in any 12-month period and options to acquire more than an aggregate 2% of the issued and outstanding common shares of Fort St. James may not be granted to persons employed to provide Investor Relations Activities (as such term is defined by the policies of the Exchange) in any 12-

month period. The grant or grants of options to any one individual in any 12-month period entitling that person to acquire common shares of Fort St. James exceeding 5% of the issued and outstanding common shares of Fort St. James requires Disinterested Shareholder approval (as required by the policies of the Exchange). “Disinterested Shareholders” are those shareholders of Fort St. James who are not insiders of Fort St. James eligible to participate in the 2009 Plan or associates of such insiders.

The term of any options granted under the 2009 Plan will be fixed by the Board of Directors and may not exceed ten years. Should a director, officer, employee or management company employee of, or consultant to, Fort St. James or any affiliate of Fort St. James cease to act in such capacity prior to expiry of the term of their respective options, those options will terminate at the end of the period of time permitted for exercise of the option (such period of time to not be in excess of six months to be determined by the Board in each instance at the time of the grant of the option) after the option holder ceases to so act for any reason other than death, disability or cause. If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. If an option holder providing Investor Relations Activities ceases to provide such Investor Relations Activities to Fort St. James, options granted to such option holder will expire within 30 days of such cessation. The 2009 Plan also provides for adjustments to outstanding options in the event of any disposition of substantially all of the assets of Fort St. James, dissolution or any merger, amalgamation or consolidation of Fort St. James with or into any other company, or the merger, amalgamation or consolidation of any other company with or into Fort St. James.

The directors of Fort St. James may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee; however, for so long as the common shares of Fort St. James are listed on the Exchange, options granted to persons performing Investor Relations Activities must vest in stages over 12 months with no more than  $\frac{1}{4}$  of the options vesting in any three month period.

Subject to the approval of the Exchange, the Board may terminate, suspend or amend the terms of the 2009 Plan, provided that the Board may not do any of the following without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, shareholder approval and, where required, Disinterested Shareholder approval, or by the written consent of the holders of a majority of the securities of Fort St. James entitled to vote:

1. increase the aggregate number of common shares which may be issued under the 2009 Plan;
2. materially modify the requirements as to the eligibility for participation in the 2009 Plan that would have the potential of broadening or increasing insider participation; and
3. materially increase the benefits accruing to participants under the 2009 Plan.

However, the Board may amend the terms of the 2009 Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval.

The 2009 Plan was amended and restated in January 2011, upon adoption by the Board of Directors of provisions relating to Fort St. James’ tax withholding and remittance obligations on exercise of options, as a result of changes to the *Income Tax Act* (Canada). These amendments were accepted by the TSX Venture Exchange in March 2011.

The TSX Venture Exchange required amendments to the 2009 Plan in October 2015 with respect to clarifying the Board’s authority to terminate or amend the 2009 Plan.

A copy of the 2009 Plan is available for viewing by shareholders at Fort St. James’ head office located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, during normal business hours at any time up to and including the day prior to the meeting or any adjournment thereof, as well as at the meeting to which this Circular relates.

### *Recommendation*

We believe the 2009 Plan enables Fort St. James to better align the interests of its directors, management and employees with those of its shareholders and reduce the cash compensation Fort St. James would otherwise have to pay. **We recommend that shareholders vote FOR the resolution giving annual approval of the 2009 Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving and ratifying the 2009 Plan.**

## **PART 4 – EXECUTIVE COMPENSATION**

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### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about Fort St. James' executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("Named Executive Officers") listed in the Summary Compensation Table that follows. During our fiscal year ended April 30, 2016, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of Fort St. James:

- Sandy MacDougall, Chief Executive Officer (from July 20, 2006 to December 4, 2014);
- Murray L. Swales, Chief Financial Officer (from April 5, 2007 to October 21, 2015) and Chief Executive Officer (from December 4, 2014 to March 9, 2016);
- Barry Brown, President and Chief Executive Officer (from March 9, 2016 to Present); and
- Zeny Manalo, Chief Financial Officer (from March 9, 2016 to Present)

Fort St. James is a junior mineral exploration company engaged in the acquisition, exploration and evaluation of mineral properties. Currently, Fort St. James is conducting exploration on its Kilometre 26 Property in the Omineca Mining Division, British Columbia, and we continue to evaluate other mineral exploration property acquisition opportunities. Fort St. James has no significant revenues from operations and we often operate with limited financial resources to ensure that funds are available to complete scheduled exploration programs. As a result, the Board of Directors has to consider not only the financial situation of Fort St. James at the time of determination of executive compensation, but also the estimated financial situation of Fort St. James in the mid- and long-term. An important element of executive compensation is that of stock options, which do not require cash disbursement by Fort St. James. Additional information about Fort St. James and its operations is available in its audited financial statements and Management's Discussion & Analysis for the year ended April 30, 2016, copies of which are included with this Circular, and which have been electronically filed with regulators and are available for viewing through the Internet at the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

### *Compensation Objectives and Principles*

The primary goal of Fort St. James' executive compensation process is to attract and retain the key executives necessary for Fort St. James' long term success, to encourage executives to further the development of Fort St. James and its operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by Fort St. James are: (i) base salary; (ii) potential annual incentive awards; and (iii) incentive stock options. The directors are of the view that all such elements should be considered when determining executive compensation, rather than any single element.

### *Compensation Process*

Fort St. James relies solely on its Board of Directors, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to the Named Executive Officers of Fort St. James, and to its directors, and for reviewing the recommendations respecting compensation for any other officers of Fort St. James from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of Fort St. James' executive officers, the Board of Directors considers: (i) recruiting and retaining executives critical to the

success of Fort St. James and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Fort St. James' shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

#### *Base Salary and/or Consulting Fees*

As an exploratory stage mining company, Fort St. James does not anticipate generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board of Directors to be appropriate in the evaluation of corporate or Named Executive Officer performance. The compensation of our executive officers is based, in substantial part, on industry compensation practices, trends in the mining industry, as well as achievement of Fort St. James' business plans and objectives.

Fort St. James provides the Named Executive Officers with base salaries and/or consulting fees, which represent their minimum compensation for services rendered during the fiscal year. Named Executive Officers' base salaries or consulting fees depend on the scope of their experience, responsibilities, leadership skills and performance. Base salaries and/or consulting fees are reviewed annually by the Board of Directors. In addition to the above factors, decisions regarding salary or consulting fee amounts are impacted by each Named Executive Officer's current salary or fee, general industry trends and practices competitiveness, and Fort St. James' existing financial resources.

#### *Option Based Awards*

Options to purchase common shares of Fort St. James are intended to align the interests of Fort St. James' directors and executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation Fort St. James would otherwise have to pay. Fort St. James' Stock Option Incentive Plan is administered by the Board of Directors. In establishing the number of the incentive stock options to be granted to the Named Executive Officers, the Board of Directors considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options, and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. See "Incentive Plan Awards – Outstanding Option-Based Awards" below, Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan, as well as Part 5 – Securities Authorized for Issuance Under Equity Compensation Plans.

#### *Benefits and Perquisites*

Fort St. James does not, as of the date of this Information Circular, offer any benefits or perquisites to its Named Executive Officers other than entitlement to incentive stock options as otherwise disclosed and discussed herein.

#### *Risks Associated with Compensation Practices*

At the time of preparation of this Circular, the directors of Fort St. James had not considered the implications of any risks to Fort St. James associated with decisions regarding compensation of its executive officers.

#### *Hedging by Named Executive Officers or Directors*

Fort St. James has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Circular, entitlement to grants of incentive stock options under the Fort St. James Stock Option Incentive Plan is the only equity security element awarded by Fort St. James to its executive officers and directors (see Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan and Part 5 – Securities Authorized for Issuance Under Equity Compensation Plans).

## Summary Compensation Table

The following table provides a summary of the compensation earned by, paid to, or accrued and payable to, each Named Executive Officer during the fiscal years ended April 30, 2016, 2015, and 2014. Amounts reported in the table below are in Canadian dollars.

| Name and principal position   | Year | Salary (\$) | Share based awards (\$) | Option based awards (\$) <sup>(1)</sup> | Non-equity incentive Plan Compensation (\$) |                           | All Other Compensation (\$) | Total Compensation (\$) |
|---|------|-------------|-------------------------|---|---|---------------------------|-----------------------------|-------------------------|
|   |      |             |                         |   | Annual Incentive Plans                      | Long-term incentive Plans |                             |                         |
| Barry Brown<br><i>CEO</i> <sup>(2)</sup>                            | 2016 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2015 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2014 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
| Zeny Manalo<br><i>CFO</i> <sup>(3)</sup>                            | 2016 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2015 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2014 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
| Sandy MacDougall <sup>(4)</sup><br><i>Former CEO</i> <sup>(5)</sup> | 2016 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2015 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | 70,000 <sup>(8)</sup>       | 70,000                  |
|   | 2014 | Nil         | Nil                     | 4,000 <sup>(7)</sup>                    | Nil   | Nil                       | 120,000 <sup>(8)</sup>      | 124,000                 |
| Murray L. Swales<br><i>Former CFO</i> <sup>(6)</sup>                | 2016 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | Nil                         | Nil                     |
|   | 2015 | Nil         | Nil                     | Nil                                     | Nil   | Nil                       | 22,000 <sup>(9)</sup>       | 22,000                  |
|   | 2014 | Nil         | Nil                     | 4,000 <sup>(7)</sup>                    | Nil   | Nil                       | 17,000 <sup>(9)</sup>       | 21,000                  |

- 1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- 2) Mr. Barry Brown was appointed President and Chief Executive Officer in March 9, 2016.
- 3) Ms. Zeny Manalo was appointed Chief Financial Officer in March 9, 2016.
- 4) See Part 8 – Other Information – Interest of Informed Persons in Material Transactions
- 5) Ms. Sandy MacDougall resigned on December 4, 2014 as Directors and Chief Executive Officer.
- 6) Mr. Murray L Swales resigned on October 21, 2015 as Chief Financial Officer and March 9, 2016 as Chief Executive Officer.
- 7) The grant date fair value of incentive stock options to purchase 200,000 common shares in the capital of Fort St. James at a per share exercise price of \$0.05 until February 18, 2019, estimated using the Black-Scholes option pricing model
- 8) Consulting fees paid and/or accrued and payable to Argentum Capital Ltd., a private company controlled by Mr. MacDougall (see “Termination in Employment, Changes in Responsibilities and Employment Contracts” below.
- 9) Consulting fees paid and/or accrued and payable to M.L. Swales Inc., a private company related to Mr. Swales.
- 10) Other Compensation included consulting fees accrued and payable for services provided by Named Executive Officers during the respective year. During the year ended April 30, 2015 Argentum Capital Ltd. \$300,745 of accrued consulting fees related to the services provided to the Company by Mr. MacDougall and M.L. Swales Inc. forgave \$21,000 of accrued consulting fees related to the services provided to the Company by Mr. Swales. During the year ended April 30, 2014 M.L. Swales Inc. forgave \$15,872 of accrued consulting fees related to the services provided to the Company by Mr. Swales.

### *Incentive Plan Awards - Outstanding Option-Based Awards*

No option-based, share-based or non-equity incentive plan compensation was awarded to the Named Executive Officers by Fort St. James during the financial year ended April 30, 2016. The following table sets out option-based awards granted to the Named Executive Officers that were outstanding at the fiscal year ended April 30, 2016.

| Name             | Option Based Awards  |                            |                        | Share-Based Awards <sup>(1)</sup>                             |  |   |   |
|------------------|--|----------------------------|------------------------|---|--|---|---|
|                  | Number of Common Shares Underlying unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-money Options <sup>(1)</sup> (\$) | Number of Shares or units of Shares that have not Vested | Market or Payout Value of Share-based Awards that have not Vested | Market or Payout Value of Vested Share-based Awards not paid out or distributed |
| Murray L. Swales | 200,000  | 0.05                       | February 18, 2019      | Nil   | Nil  | Nil   | Nil   |

(1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the market value of the underlying common shares on the TSX Venture Exchange on April 30, 2014, and the option exercise price. The closing price of the common shares on the year ended April 30, 2016, was \$0.005.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying common shares and the option exercise price on the vesting date. There were no options granted to our Named Executive Officers during the year ended April 30, 2016. Further, as no options were exercised by the Named Executive Officers during the fiscal year ended April 30, 2016, there was no value earned by the Named Executive Officers as a result of exercise of options during the fiscal year ended April 30, 2016.

### **Termination and Change of Control Benefits**

Fort St. James is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of Fort St. James or a change in a Named Executive Officer’s responsibilities.

### **Director Compensation**

Fort St. James does not pay its directors a fee for acting as such. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. Fort St. James may, from time to time, grant options to purchase common shares to the directors.

The following disclosure of director compensation for Fort St. James’ most recently completed financial year ended April 30, 2016, excludes compensation of Sandy MacDougall, whose compensation in his capacity as President and Chief Executive Officer of Fort St. James is disclosed above at Part 4 – Executive Compensation – Summary Compensation Table. Mr. MacDougall did not receive any compensation for serving as a director of Fort St. James during the financial year ended April 30, 2016, in addition to that disclosed in the Summary Compensation Table.

| Name         | Fees Earned (\$) | Share-based Awards (\$) | Option-based Awards (\$) <sup>(1)</sup> | Non-equity incentive Plan Compensation (\$) |                           | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|--------------|------------------|-------------------------|---|---|---------------------------|--------------------|-----------------------------|-------------------------|
|              |                  |                         |   | Annual Incentive Plans                      | Long-term Incentive Plans |                    |                             |                         |
| Carlos Arias | Nil              | Nil                     | Nil                                     | Nil   | Nil                       | Nil                | Nil                         | Nil                     |
| Barry Brown  | Nil              | Nil                     | Nil                                     | Nil   | Nil                       | Nil                | Nil                         | Nil                     |
| Scott Kent   | Nil              | Nil                     | Nil                                     | Nil   | Nil                       | Nil                | Nil                         | Nil                     |

*Incentive Plan Awards - Outstanding Option-Based Awards*

No incentive stock options were granted to the directors of Fort St. James, by Fort St. James during the fiscal year ended April 30, 2016. No other option-based, share-based or non-equity incentive plan compensation was awarded to the directors by Fort St. James during the financial year ended April 30, 2016. The following table sets out option-based awards granted to the directors that were outstanding at the fiscal year ended April 30, 2016.

| Name         | Option Based Awards  |                            |                        | Share-Based Awards <sup>(1)</sup>                             |  |   |   |
|--------------|--|----------------------------|------------------------|---|--|---|---|
|              | Number of Common Shares Underlying unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-money Options <sup>(1)</sup> (\$) | Number of Shares or units of Shares that have not Vested | Market or Payout Value of Share-based Awards that have not Vested | Market or Payout Value of Vested Share-based Awards not paid out or distributed |
| Carlos Arias | 200,000  | 0.05                       | February 18, 2019      | Nil   | Nil  | Nil   | Nil   |
| Scott Kent   | 200,000  | 0.05                       | February 18, 2019      | Nil   | Nil  | Nil   | Nil   |

(1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the market value of the underlying common shares on the TSX Venture Exchange on April 30, 2014, and the option exercise price. The closing price of the common shares on the year ended April 30, 2016, was \$0.005.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying common shares and the option exercise price on the vesting date. There were no options granted to our Named Executive Officers during the year ended April 30, 2016. Further, as no options were exercised by the Named Executive Officers during the fiscal year ended April 30, 2016, there was no value earned by the Named Executive Officers as a result of exercise of options during the fiscal year ended April 30, 2016.

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Company’s directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the TSXV limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options. The TSXV also requires annual approval of rolling stock option plans by shareholders. The Company will propose that a new form of rolling stock option plan be approved by shareholders at the Meeting. See below under “Particulars of Matters to be Acted On - Incentive Stock Option Plan (10% Rolling Plan)”. The following table sets out equity compensation plan information as at the end of the financial year ended April 30, 2016.

| Plan category  | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted-average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |
|--|--|--|--|
| Equity compensation plans approved by shareholders     | 100,000  | \$0.39   | 193,342 <sup>(1)</sup>   |
| Equity compensation plans not approved by shareholders | n/a  | n/a  | n/a  |
| Total  | 100,000  |  | 193,342 <sup>(1)</sup>   |

(1) This figure is based on the total number of shares authorized for issuance under the Company's Stock Option Plan, less the number of stock options outstanding as at the Company's year ended April 30, 2016. As at April 30, 2016, the Company was authorized to issue a total of 2,933,418 stock options.

## **PART 6 – AUDIT COMMITTEE**

### **Audit Committee Charter**

The Charter of the Audit Committee of Fort St. James' Board of Directors is attached as Appendix 1 to this Information Circular.

### **Audit Committee Members**

The Audit Committee is currently comprised of Barry Brown, Scott Kent and Quinn Field-Dyte. Mr. Arias is not standing for re-election at the next General Meeting of Shareholders. Subject to his election as a director, Mr. Field-Dyte will become a member of the Audit Committee. Scott Kent and Quinn Field-Dyte are considered to be "independent" applying the guidelines included in and as required by securities legislation for determining independence. See Part 7 – Corporate Governance – Composition of the Board of Directors for an analysis of the determination of the independence of the directors of Fort St. James.

All three of the Audit Committee members have the ability to read and understand 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 Fort St. James' financial statements.

### **Relevant Education and Experience**

All of the Audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

The following biographies set out the education and experience of the members of the Audit Committee:

#### *Scott Kent*

Mr. Kent obtained his firefighter's ticket from Justice Institute of British Columbia in 2002. He also attended the University of British Columbia and Langara College, where his studies related to education. Mr. Kent is currently a firefighter with the Surrey Fire Department, prior to which he was a regional sales representative with Barcode Systems Inc.

### *Barry Brown*

Mr. Brown has been President of Barry Developments Ltd., a wholly owned private company involved in the organization, reorganization and management of private and public companies, he has over 35 years of experience as a director and/or officer of a number of public companies. He received a Bachelor of Commerce degree in finance from the University of British Columbia in 1976. In addition to serving as a director of Fort St. James, Mr. Brown is currently a director of other publicly traded nature resource issuers including Newnote Financial Corp., Goldbank Mining Corporation, and GGX Gold Corp.

### *Quinn Field-Dyde*

Mr. Field-Dyde has over 10 years' experience in the financial services industry, having served from 1996 to 2004, he is a consultant to Raytec Development Corp. from 2004 to 2010, he was involved in the interactive entertainment industry working at Electronic Arts Inc. (EA Games) and co-founding Embassy Interactive Games before returning to the financial industry in 2010. He currently sits on the board of multiple publicly traded companies.

## **Pre-Approved Policies and Procedures for Non-Audit Services**

Fort St. James' Audit Committee Charter provides that management seek approval from the Audit Committee for all non-audit services to be provided to Fort St. James, or any of its subsidiaries, by Fort St. James' external auditor, prior to engaging the external auditor to perform those non-audit services.

## **Audit Committee Oversight**

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

## **External Auditor Service Fees**

Aggregate audit fees invoiced by Lancaster & David, Chartered Accountants, Fort St. James' external auditor, relating to the audit of Fort St. James' financial statements for its two most recently completed fiscal years ended April 30, 2016 and April 30, 2015, were as follows.

|                                   | <b>Fees Paid to Auditor in Year Ended</b> |                      |
|-----------------------------------|---|----------------------|
|                                   | <b>June 30, 2016</b>                      | <b>June 30, 2015</b> |
| Audit Fees <sup>(1)</sup>         | \$8,000                                   | \$11,000             |
| Audit-Related Fees <sup>(2)</sup> | Nil                                       | Nil                  |
| Tax Fees <sup>(3)</sup>           | Nil                                       | Nil                  |
| All Other Fees <sup>(4)</sup>     | Nil                                       | Nil                  |

## **Reliance on Exemptions**

As Fort St. James is a "Venture Issuer" pursuant to relevant securities legislation, Fort St. James is relying on the exemption in Section 6.1 of National Instrument 52-110 - Audit Committees ("NI 52-110") from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Fort St. James has not, since the commencement of its most recently completed financial year, relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services) or on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## PART 7 – CORPORATE GOVERNANCE

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### Composition of the Board of Directors

The Board of Directors of Fort St. James facilitates its exercise of independent supervision over management by ensuring there are directors on the Board who are independent of management. In determining whether a director is independent, the Board considers whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. The Board, at present, is comprised of three directors, two of whom, Quinn Field-Dyde and Scott Kent, are considered to be independent of management applying the guidelines included in and required by securities legislation for determining independence. Barry Brown is not considered to be independent by reason of his office as Chief Executive Officer (see Part 4 – Executive Compensation).

The directors believe that, at this stage of Fort St. James' development, the current composition of the Board of Directors adequately facilitates its exercise of independent supervision over management. The Board anticipates that, as Fort St. James matures as a business enterprise, with projects advancing to the development stage, it will identify additional qualified candidates as directors, who have experience relevant to Fort St. James' needs, who are independent of management and who are considered to be independent under applicable corporate governance legislation and guidelines.

### Directorships in other Public Companies

Certain of the directors of Fort St. James are also directors of other reporting issuers as follows:

#### Name of director Name of Reporting Issuer

| <u>Name Directors</u> | <u>Name of Other Reporting Issuer</u>   |
|-----------------------|---|
| Barry Brown           | Newnote Financial Corp (CSE)<br>Goldbank Mining Corporation (TSXV)<br>GGX Gold Corp. (TSXV) |
| Scott Kent            | Alliance Mining Corp. (TSXV)<br>Ximen Mining Corp (TSXV)<br>GGX Gold Corp. (TSXV)           |
| Quinn Field-Dyde      | GGX Gold Corp. (TSXV)   |

### Orientation and Education of Directors

Fort St. James has not yet developed an official orientation or training program for new directors. New directors will be provided, through discussions and meetings with other directors, officers and employees, with a thorough overview of Fort St. James' business. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Our management endeavours to provide a continuous flow of information to the directors for continuing education purposes relating to Fort St. James' business and operations, as well as information and other initiatives intended to keep the Board abreast of new developments and challenges that Fort St. James may face.

## **Ethical Business Conduct**

Fort St. James' Board of Directors has not yet adopted a written code of business conduct and ethics. The Board's mandate includes satisfying itself as to the integrity of Fort St. James' executive officers and, in all dealings, endeavours to reflect a culture of integrity and ethical business conduct. As its corporate governance practices evolve, it is the Board's intention to adopt a code of business conduct and ethics which will address issues such as conflicts of interest; protection and proper use of corporate assets and opportunities; confidentiality of corporate information; fair dealing with shareholders, partners, suppliers, competitors and employees; compliance with laws, rules and regulations and reporting of any illegal or unethical behaviour; as well as monitoring compliance with such a code. In the meantime, the Board strives to promote integrity and at all times encourages directors to exercise independent judgment in considering transactions or agreements in respect of which a director or officer has a material interest and all such transactions or agreements must be approved by the Board of Directors.

## **Nomination and Election of Directors**

Fort St. James has not yet appointed a nominating committee. The Board of Directors, as a whole, is responsible for considering the Board's size and the number of directors to recommend to Fort St. James' shareholders for election at annual meetings, taking into account the number of directors required to carry out the Board's duties effectively and to maintain representation by independent directors and a diversity of view and experience.

We have not yet considered adopting an advance notice policy requiring that a shareholder proposing to nominate a person for election as a director at a meeting of shareholders must provide Fort St. James with advance notice of, and prescribed details concerning, the proposed nominee.

Voting for election of directors of Fort St. James is by individual voting and not by slate voting. Fort St. James has not, as yet, adopted a majority voting policy for election of directors at uncontested shareholder meetings at which directors are to be elected.

## **Compensation**

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer and Chief Financial Officer of Fort St. James, as well as to its directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of Fort St. James, to ensure such arrangements reflect the responsibilities and risks associated with each position. See Part 4 – Executive Compensation – Compensation Discussion and Analysis.

## **Board Committees**

The Board of Directors of Fort St. James has, to date, established only one committee, the Audit Committee. See Part 6 – Audit Committee.

## **Assessments**

The Board does not yet formally review the contributions of individual directors. The directors believe that the Board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

## **PART 8 – OTHER INFORMATION**

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### **Indebtedness of Directors and Executive Officers**

Since the beginning of the most recently completed financial year ended April 30, 2016, and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of Fort St. James, nor any nominee for election as a director of the Fort St. James, nor any associate of any such person, was indebted to Fort St. James or any of its subsidiaries, nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Fort St. James or any of its subsidiaries.

### **Interest of Informed Persons in Material Transactions**

Other than as disclosed in this Circular, no proposed nominee for election as a director, and no director or officer of Fort St. James or any of its subsidiaries who has served in such capacity since the beginning of the last completed financial year of Fort St. James, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of Fort St. James' outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with Fort St. James since the beginning of the last completed financial year, or in any proposed transaction, that has materially affected Fort St. James or any of its subsidiaries, or is likely to do so.

#### *Loans from Shareholder (Insider) and Director*

In order to fund its day-to-day activities pending completion of financings to raise working capital during the year ended April 30, 2015, Fort St. James' Board of Directors approved borrowing the principal amount of \$10,000 (the "**Shareholder Loan**") from Gerald Mitton (the "**Lender**"), an insider of Fort St. James by virtue of shareholdings, pursuant to the terms and conditions of a Loan Agreement dated August 29, 2014, as entered into between Fort St. James and the Lender. The Shareholder Loan is payable on or before January 20, 2015, together with all accrued and unpaid interest calculated and compounded annually at 10% per annum. The loan was paid on July 2016.

In addition, during the year ended April 30, 2015, Fort St. James' Board of Directors approved borrowing the principal amount of \$20,000 (the "**Director's Loans**") from Sandy MacDougall ("**MacDougall**"), an insider of Fort St. James by virtue of his being a member of the board of directors, President and Chief Executive Officer at the time of the loans, pursuant to the terms and conditions of two Loan Agreements dated September 2, 2014 (\$10,000) and October 27, 2014 (\$10,000), as entered into between Fort St. James and the Lender. The Director's Loans are payable on or before January 20, 2015, together with all accrued and unpaid interest calculated and compounded annually at 10% per annum.

See Part 2 – Voting Shares and Principal Holders Thereof.

### **Interest of Certain Persons in Matters to be Acted on at the Meeting**

Except as disclosed in this Circular, none of the directors or executive officers of Fort St. James, no proposed nominee for election as a director of Fort St. James, none of the persons who have been directors or executive officers of Fort St. James since the commencement of Fort St. James' last completed financial year, none of the other insiders of Fort St. James and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the election of the directors and the annual approval of the 2009 Stock Option Incentive Plan, as amended and restated. See Part 3 – The Business of the Meeting.

## **Management Contracts**

The management functions of Fort St. James are performed by our directors and executive officers and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and officers of Fort St. James. See Part 4 – Executive Compensation.

## **Cease Trade Orders and Bankruptcy**

Except as described below, as at the date of this Information Circular, no proposed nominee for election as a director of Fort St. James is, or has been, within 10 years before the date of this Information Circular:

1. a director, chief executive officer or chief financial officer of any company (including Fort St. James and any personal holding company of the proposed director) that, while that person was acting in that capacity:
  - (a) was subject to:
    - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order); or
    - (ii) an order similar to a cease trade order; or
    - (iii) an order that denied the relevant company access to any exemption under securities legislation; that was in effect for a period of more than 30 consecutive days (an “**Order**”); or
  - (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
2. a director or executive officer of any company (including Fort St. James and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **Penalties and Sanctions**

As at the date of this Information Circular, no proposed nominee for election as a director of Fort St. James has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **Personal Bankruptcy**

No proposed nominee for election as a director of Fort St. James has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **Matters to be Raised at Next Annual Meeting**

Any shareholder who wishes to submit a notice to Fort St. James of any matter that the shareholder proposes to raise at Fort St. James' next annual shareholder meeting to be held during calendar 2016, and have the proposal included in Fort St. James' proxy materials for that meeting, must send notice of the proposal as required by and in compliance with section 137 of the *Canada Business Corporations Act* to Fort St. James no later than July 1, 2017. Any such proposal should be sent to Fort St. James at its registered office at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, V6C 3K4. Fort St. James is not obligated to include any shareholder proposal in its proxy materials for the annual shareholder meeting to be held during calendar 2016 if the proposal is received after the July 1, 2017 deadline.

## **Other Matters**

Management of Fort St. James is not aware of any other matters to come before the meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **Additional Information**

You may obtain additional financial information about Fort St. James in our audited consolidated financial statements and Management's Discussion and Analysis for the year ended April 30, 2016, copies of which are included with this Information Circular. Additional copies may be obtained without charge upon request to us at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia V6C 3K4 - telephone (604) 488-3900; fax (604) 488-3910. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

## **Directors' Approval**

The Board of Directors of Fort St. James Nickel Corp. has approved the contents of this Information Circular and its distribution to each shareholder entitled to receive notice of the meeting to which this Circular relates.

Vancouver, British Columbia, February 21, 2017.

*"Barry Brown"*

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**Barry Brown**

President and Chief Executive Office

**APPENDIX 1**  
to the Information Circular of Fort St. James Nickel Corp.

**Charter of the Audit Committee**

**FORT ST. JAMES NICKEL CORP.**

**CHARTER FOR THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**1. Purpose**

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
- (a) support the Board of Directors in meeting its responsibilities to shareholders;
  - (b) enhance the independence of the external auditor;
  - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
  - (d) increase the credibility and objectivity of the Corporation's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

**2. Membership**

- 2.1. Each member of the Audit Committee must be a director of the Corporation.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Corporation or any of its affiliates and are considered "independent" as that term is defined in Multilateral Instrument 52-110.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

**3. Authority**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;

- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

#### **4. Duties and Responsibilities**

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Corporation's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Corporation, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Corporation's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
  - (ii) the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters.

- (p) reviewing and approving the Corporation's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
  - (q) pre-approving all non-audit services to be provided to the Corporation or any subsidiaries by the Corporation's external auditor;
  - (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.
- 4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

## **5. Meetings**

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Corporation or of an affiliate of the Corporation.
- 5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Corporation at least annually to review the financial affairs of the Corporation.
- 5.7. The Audit Committee will meet with the external auditor of the Corporation at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

## **6. Reports**

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

## **7. Minutes**

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

*Adopted by the Board of Directors on November 9, 2006.*