



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD ON JUNE 27, 2016**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED MARCH 10, 2017**



# NEW DESTINY MINING CORP.

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of **New Destiny Mining Corp.** (hereinafter called the “**Corporation or “New Destiny”**”) will be held at the offices of TSX Trust Company, 1185 West Georgia Street, Vancouver, BC, V6E 4E6 on **Friday, April 21, 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 financial year ended June 30, 2016, together with the auditor's report thereon.
2. To fix the number of directors of the Corporation at four (4).
3. To elect directors of the Corporation for the ensuing year.
4. To appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors.
5. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to re-approve the Corporation's 10% rolling stock option plan (the “**Plan**”), as more fully described in the accompanying management information circular (the “**Circular**”).
6. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution authorizing the Corporation's board of directors, in its sole discretion, to consolidate all of the issued and outstanding common shares of the Corporation, on the basis of one (1) post-consolidation common share for up to every ten (10) pre-consolidation common shares, as more fully described in the accompanying Circular.
7. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

This notice of Meeting is accompanied by: (a) the Circular; and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is March 10, 2017 (the “**Record Date**”). Persons who are registered shareholders at the close of business on the Record Date, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** As a shareholder, you can choose from three different ways to vote your shares by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, on behalf of the Corporation, so as to arrive not later than 2:00 p.m. (Vancouver time) on Wednesday, April 19, 2017, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; or (b) on the internet at [www.voterproxyonline.com](http://www.voterproxyonline.com), unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

DATED this 10th day of March 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Robert Birmingham”*

**Robert Birmingham**

*Chief Executive Officer and Director*

# NEW DESTINY MINING CORP.

## MANAGEMENT INFORMATION CIRCULAR

(As at March 10, 2017, except as indicated)

### SOLICITATION OF PROXIES

**This management information circular (“Circular”) is provided in connection with the solicitation of proxies by management of New Destiny Mining Corp. (the “Corporation”) for use at an Annual General and Special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) in the capital of the Corporation. The Meeting will be held on April 21, 2017 at 2:00 p.m. at the offices of TSX Trust Company, Vancouver, B.C., or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of special meeting accompanying this Circular (the “Notice”).**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone and facsimile. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a “Proxy”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy. All time references in this Circular are references to Vancouver time.

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of a Proxy

**Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to TSX Trust Company (the “Transfer Agent”), at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1.**

**The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee’s consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal**

identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

**In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof.** After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

### **Revoking a Proxy**

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

### **Signature on Proxies**

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

### **Voting of Proxies**

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

**The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW.** If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

### **Advice to Beneficial Shareholders**

**The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names.** Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered

holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Corporation. 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 Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "non-objecting beneficial owners ("NOBOs"). Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "objecting beneficial owners" ("OBOs").

The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder's voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

**All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.**

#### NOTICE-AND-ACCESS

The Corporation is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer*.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of March 10, 2017 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the date of this Circular, the Corporation had 7,629,601 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting. The outstanding Common Shares are listed on the TSXV under the symbol "NED".

To the knowledge of the Directors (as defined herein) and executive officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares.

## FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended June 30, 2016 and the auditor's report thereon will be placed before the Meeting. The financial statements, the auditor's report thereon together with management discussion and analysis ("MD&A") for the financial year ended June 30, 2016 are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the *Business Corporations Act* (British Columbia) or he or she becomes disqualified to act as a director. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Shareholder approval will be sought to fix the number of directors of the Company at four (4), subject to such increases as may be permitted by the Corporation's Articles and the *Business Corporations Act* (British Columbia). If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the shares represented by the Proxy for the election of any other person or persons as directors. Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name and Jurisdiction of Residence	Present Position(s) with the Corporation	Present Principal Occupation and Principal Occupation for the Five Preceding Years	Director Since	No. of Common Shares Beneficially Owned, Controlled or Directed <small>(1) (2)</small>
Robert L. Birmingham <sup>(2)</sup> <i>British Columbia, Canada</i> <i>Director and CEO</i>	President, Chief Executive Officer and Director	President of Benaterra Communication Inc, a wholly owned private company involved in organization and management consultant of private and public sector. He has over 10 years' experience as director and officer of a number of companies. He holds a Business Degree from Capilano University, BC.	Nov. 17, 2011	995,000
Greg Olesen <i>Alberta, Canada</i> <i>Director</i>	Director	He provides consulting services and has over 37 years of experience within a wide array of sectors, including Oil & Gas: Chemicals and Engineering and Construction both on the national and international stage. He has extensive operation experience in Project Management, Public Relations and overall business development.	July 17, 2014	1,550,000

Name and Jurisdiction of Residence	Present Position(s) with the Corporation	Present Principal Occupation and Principal Occupation for the Five Preceding Years	Director Since	No. of Common Shares Beneficially Owned, Controlled or Directed (1) (2)
Anthony Zelen <sup>(2)</sup> <i>British Columbia, Canada</i> <i>Director</i>	Director	President of Zelen Consulting Inc, a wholly owned private company involved in investor relations, public relations, and strategic marketing for the technology, mining and oil and gas industries. Over the past 18 years experience as director and officer of a number of private and public companies. Mr. Zelen graduated with a Bachelor of Arts in Economics and Political Science from Simon Fraser University.	July 9, 2015	Nil
Wesley Warthe-Anderson <sup>(2)</sup> <i>British Columbia, Canada</i>	Director	Independent Businessman. Over the past four years he has worked on various mining projects throughout Canada, both in an office and out in the field. He holds an economics degree from the University of Victoria	August 5, 2016	600,000

**Notes:**

- (1) The number of shares held includes shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the proposed nominee.
- (2) Member of the Audit Committee.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as disclosed below, to the knowledge of the executive officers and directors of the Corporation, no proposed director is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (a) while that person was acting in that capacity, was the subject of a cease trading order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

In addition, no proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that: (a) was declared 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 the assets of that person; or (b) was a director or officer of a corporation (including the Corporation) that, while that person was acting in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or 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.

Further, no proposed director or any personal holding companies of a proposed director of the Corporation have 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 of the Corporation.

## STATEMENT OF EXECUTIVE COMPENSATION

Under this heading, the Company is including the disclosure required by Form 51-102F6 Statement of Executive Compensation.

For the purposes of this section, named executive officers of the Company means the following individuals (the “Named Executive Officers”):

- (a) the Company’s Chief Executive Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “CEO”);
- (b) the Company’s Chief Financial Officer or an individual who acted in a similar capital for any part of the most recently completed financial year (the “CFO”);
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation (see “Summary of 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 a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the three most recent fiscal years ended June 30, 2016, 2015 and 2014, the following individuals were NEOs or former NEOs of the Company, namely:

Greg Olsen, President and CEO (since July 17, 2014 to August 20, 2015)  
Robert L. Birmingham, President and CEO (since August 20, 2015 to present)  
Ping Shen, CFO (since August 28, 2012 to August 5, 2016)  
Zeny Manalo, CFO 9since August 5, 2016 to present)

### Compensation Discussion and Analysis

Remuneration plays an important role in helping the Corporation attract, motivate, reward and retain knowledgeable and skilled individuals to its management team. The Corporation does not have a formal compensation policy and relies solely on the board of directors (the “**Board**”) discussion with respect to compensation of its directors and officers. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation’s success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation’s management team to meet or exceed targets;

- to recognize the contribution of the Corporation’s executive officers and directors to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation’s shareholders.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Board does not believe that the Corporation’s compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation. The key elements of the executive compensation program are: (i) fees or salary; and (ii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

In light of the Corporation’s size and limited elements of executive compensation, the Board does not have a compensation committee and does not deem it necessary to consider at this time the implications of the risks associated with the Corporation’s compensation policies and practices. Also, there are no risks which have been identified in the Corporation’s practices to date which would reasonably be likely to have a material adverse effect on the Corporation.

The Corporation’s Named Executive Officers 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 Named Executive Officers or directors.

#### **Share-Based and Option-Based Awards**

The Board believes that eligible persons working with the Corporation as Named Executive Officers, directors, or consultants should have a stake in the Corporation’s future and that their interests should be aligned with the interests of the shareholders. To this end, the Board determines the overall amount of stock option grants and reviews and recommends to the Corporation the allocation of such grants to directors, officers and consultants, primarily based on whose decisions and actions can have the greatest impact on the Corporation’s performance.

These option-based awards are granted under the Corporation’s stock option plan (the “**Plan**”). The Corporation considers previous grants of stock options when considering new grants. Additional factors necessary to understand the information disclosed above include the terms of the Plan.

#### **Option Repricings**

No options held by the Named Executive Officers were repriced during the Company’s most recently completed financial year ended June 30, 2016.

## Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended June 30, 2016, 2015 and 2014.

Name and Principal Position	Year	Salary (\$)	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 <sup>(2)</sup>			
Robert Birmingham President and CEO <sup>(3)</sup>	2016	Nil	Nil	Nil	Nil	Nil	Nil	60,000 <sup>(6)</sup>	60,000
	2015	Nil	Nil	2,865	Nil	Nil	Nil	44,000 <sup>(6)</sup>	46,865
	2014	Nil	Nil	8,139	Nil	Nil	Nil	60,000 <sup>(7)</sup>	60,000
Greg Olesen former President and CEO <sup>(4)</sup>	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	30,000	Nil	7,163	Nil	Nil	Nil	Nil	37,163
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ping Shen former CFO <sup>(5)</sup>	2016	Nil	Nil	Nil	Nil	Nil	Nil	60,000 <sup>(7)</sup>	60,000
	2015	Nil	Nil	2,865	Nil	Nil	Nil	40,000 <sup>(7)</sup>	42,865
	2014	Nil	Nil	5,087	Nil	Nil	Nil	48,000 <sup>(7)</sup>	53,087

### Notes:

- (1) Option-based awards are valued at the date of grant using the Black-Scholes option pricing model which the Corporation has chosen because it is one of the most common valuation methodologies used by junior exploration issuers. Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Corporation's stock option grants. The Corporation uses an option-pricing model because there is no market for which options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an optionee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.
- (2) LTIP or long term incentive plan means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciate right plans or plans to compensate through restricted shares or restricted share units.
- (3) Mr. Birmingham appointed as President and CEO on August 20, 2015
- (4) Greg Olesen resigned as President and CEO on August 20, 2015.
- (5) Ms. Ping Shen resigned on August 5, 2016
- (6) Paid or accrued to Benaterra Communications, a company controlled by Mr. Birmingham, for management consulting services.
- (7) Paid and accrued to Ms. Shen for accounting and management services.

## Incentive Option-Based Awards for Named Executive Officers

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

No option-based, share-based or non-equity incentive plan compensation was awarded to the Named Executive Officers by the Corporation during the financial year ended June 30 2016. The following table sets out option-based awards granted to the Named Executive Officers that were outstanding at the fiscal year ended June 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
Robert Birmingham President and CEO <sup>(2)</sup>	25,000 6,520 14,063	0.80 0.80 2.72	July 23, 2019 Oct.17, 2018 March 4, 2017	Nil Nil Nil	Nil	Nil	Nil
Ping Shen former CFO <sup>(3)</sup>	6,250	0.80	July 23, 2019	Nil	Nil	Nil	Nil
Greg Olesen <sup>(4)</sup> former President and CEO <sup>(2)</sup>	15,625	0.80	July 23, 2019	Nil	Nil	Nil	Nil

**Notes:**

- 1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.08 and the exercise or base price of the option.
- 2) Mr. Birmingham appointed as President and CEO on August 20, 2015
- 3) Ms. Ping Shen resigned on August 5, 2016
- 4) Greg Olesen resigned as President and CEO on August 20, 2015.

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

There were no option-based awards or share-based awards which vested or were earned during the most recently completed financial year ended June 30, 2016 for any Named Executive Officer.

**Pension Plan Benefits**

The Corporation does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

**Termination and Change of Control Benefits**

The Corporation has not entered into any plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Corporation's most recently completed financial year or current financial year in respect of compensating such officers or directors in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

**Compensation of Directors**

For a description of the compensation paid to the Company's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Circular, no director of the Corporation who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Company may grant incentive stock options to directors of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the TSX Venture Exchange (the "TSX-V"). The compensation paid to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year is as set out below:

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			
Anthony Zelen <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3,700
Greg Olesen	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Wesley Warthe-Anderson	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (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) Paid or accrued to Zelen Consulting, a company controlled by Mr. Zelen for consulting services.

*Narrative Discussion*

The Corporation currently does not pay directors who are not employees or officers of the Corporation for attending directors' meetings or for serving on committees. The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Corporation's directors have received any cash compensation for services provided in their capacity as directors during the Corporation's most recently completed financial year. Additional factors necessary to understand the information disclosed above include the terms of the Plan.

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

No incentive stock options were granted to the directors of the Corporation during the fiscal year ended June 30, 2016. No other option-based, share-based or non-equity incentive plan compensation was awarded to the directors by the Corporation during the financial year ended June 30, 2016. The following table sets out option-based awards granted to the directors that were outstanding at the fiscal year ended June 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
Anthony Zelen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Olesen	15,625	0.05	July 23, 2019	Nil	Nil	Nil	Nil
Wesley Warthe-Anderson	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- 1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.08 and the exercise or base price of the option.

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

There were no option-based awards or share-based awards which vested or were earned during the most recently completed financial year ended June 30, 2016 for any director, who was not also a Named Executive Officer.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Corporation has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Corporation’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 Corporation 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 Corporation 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 June 30, 2016.

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 shareholders	60,938	\$0.39	702,023 <sup>(1)</sup>
Equity compensation plans not approved by shareholders	n/a	n/a	n/a
Total	60,938		702,023 <sup>(1)</sup>

**Notes:**

- (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 June 30, 2016. As at June 30, 2016, the Company was authorized to issue a total of 702,023 stock options.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or officers of the Corporation nor any of their associates or affiliates is now or has been indebted to the Corporation since the commencement of the last completed fiscal year, nor has any indebtedness of any such person been subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the commencement of the Corporation's last financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

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

Other than the election of Directors or the appointment of Auditors, no person who has been a Director or Executive Officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a Director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the Directors and Executive Officers of the Corporation may have an interest in (i) the resolution regarding the reapproval of the Corporation's 10% rolling stock option plan, as such persons are eligible to participate in such plan; and (ii) the resolution regarding the approval of the proposed consolidation of the Corporation's Common Shares, as such persons may be Shareholders of the Corporation.

## **MANAGEMENT CONTACT**

Management functions of the Corporation are generally performed by directors and executive officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

## **APPOINTMENT AND REMUNERATION OF AUDITORS**

WDM Chartered Accountants, of Suite 420, 1501 West Broadway, Vancouver, British Columbia are the auditors of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of WDM Chartered Accountants as the auditors of the Corporation to hold office for the ensuing year at a remuneration to be fixed by the directors. WDM Chartered Accountants was appointed as auditors of the Corporation on August 17, 2016.

## **AUDIT COMMITTEE**

National Instrument 52-110 – Audit Committees (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following.

### **The Audit Committee's Charter**

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Corporation proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Corporation; assess the steps the Management has taken or proposes to take to minimize such risks to the Corporation; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Corporation from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Corporation's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors, the interim and annual financial reports before they are filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Corporation; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Corporation, the ramifications of each alternative and the treatment preferred by the Corporation.

17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Corporation's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Corporation's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Corporation's articles, or the Board.

### **Composition of the Audit Committee**

The Audit Committee shall be comprised of three Directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

The following are the members of the Audit Committee:

<b>Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Robert L. Birmingham	No	Financially literate
Anthony Zelen	Yes	Financially literate
Wesley Warthe-Anderson	Yes	Financially literate

**Note:**

- (1) A member of an audit committee is independent if the member has had no direct or indirect material relationship within the past three years with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he 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.

### **Relevant education and experience**

For the relevant experience of each Audit Committee member, see their principal occupations for the last five years under the heading – “*Election of Directors*”.

Each member of the audit committee has had experience that would provide the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, WDM Chartered Accountants Vancouver, British Columbia) not adopted by the Board.

### Reliance on Certain Exemptions

During the most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Corporation did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

### Pre-Approval Policies and Procedures

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

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the external auditors, to the Corporation to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

	Fees Paid to Auditor in Year Ended	
	June 30, 2016	June 30, 2015
Audit Fees <sup>(1)</sup>	\$13,000	\$10,200
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	765
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$13,000	\$10,965

**Note:**

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Corporation’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that a traditionally performed by the auditor. These audit-related services 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 fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. 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.
- (3) "All Other Fees" include all other non-audit services.

## **Exemption**

The Corporation is relying upon the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the board of directors (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day- to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

### **Board of Directors**

The mandate of the Board is to supervise the management of the Corporation and to act in the best interests of the Corporation. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia)
- (b) the Corporation's articles of incorporation and by-laws
- (c) the Corporation's code of business conduct
- (d) the charters of the Board and the Board committees; and
- (e) other applicable laws and Corporation policies

The Board approves all significant decisions that affect the Corporation before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Corporation's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Corporation's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. The Board also monitors the Corporation's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Corporation's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Corporation's major communications, including annual and quarterly reports, financing documents and press releases. The Corporation communicates with its stakeholders through a number of channels including its website. The Board approved the Corporation's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Corporation's internal control processes and management information systems. The Board consults with the external auditor and management of the Corporation to ensure the integrity of these systems. The external auditor submits a report to the Audit Committee each year on the quality of the Corporation's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. The President, Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Corporation, are party to any material contracts with the Corporation, or receive any fees from the Corporation except as disclosed in this circular.

### **Directorships**

The following table sets forth the directors of the Corporation who currently hold directorships on other reporting issuers:

<b>Name Directors</b>	<b>Name of Other Reporting Issuer</b>
Robert Birmingham	N/A
Anthony Zelen	Fitch Street Capital Corp. (TSXV) QMC minerals Corp (TSXV)
Greg Olesen	N/A
Wesley Warthe-Anderson	N/A

### **Orientation and Continuing Education**

The Board of the Corporation briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the

contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, show support for the Corporation's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders. The Board decides the compensation of the Corporation's officers, based on industry standards and the Corporation's financial situation.

### **Other Board Committees**

The Corporation and the Board has no committees other than the Audit Committee.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation or any of its subsidiaries, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation or its subsidiaries.

## **RATIFICATION AND RE-APPROVAL OF STOCK OPTION PLAN**

Pursuant to Policy 4.4 of the TSXV, corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive yearly shareholder approval of the stock option plan. Please refer to Schedule "A" hereto where the text of the Plan is attached in its entirety. The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSXV requires such approval before it will allow the adoption of the Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Plan.**

The purpose of the Plan is to allow the Corporation to grant options to Directors, officers, employees, management company employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Shareholders.

The text of the ordinary resolution regarding this matter is as follows:

“BE IT RESOLVED THAT:

1. the 10% rolling stock option plan (the "**Plan**") of the Corporation, as described in the management information circular and proxy statement of the Corporation dated May 19, 2016, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and re-approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

### **APPROVAL OF SHARE CONSOLIDATION**

The Board has determined that it would be in the best interests of the Corporation and its shareholders to consolidate (the "**Consolidation**") all of the issued and outstanding common shares of the Company up to a maximum of ten (10) old common shares for one (1) new common share basis, or such lesser ratio as may be approved by the Board and the TSXV. As at the record date, the authorized share capital of the Corporation consists of an unlimited number of common shares of which 7,629,601 are outstanding. The Shareholders of the Corporation will be asked at the Meeting or any adjournment thereof, to consider and, if thought fit, pass, with or without amendment, an ordinary resolution approving the Consolidation.

In addition, Shareholders of the Corporation 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 ten (10) 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, the Notice of Alterations in the prescribed form will be filed with the Registrar of Companies (the "**Registrar**") under the *Business Corporations Act* (British Columbia) ("**BCBCA**") and such alteration will take effect at the time the notice is filed with the Registrar.

#### **Reasons for the Consolidation**

Management and the Board believe that the Consolidation is necessary in order to provide the Corporation with a share capital structure that will position the Corporation to better attract equity financing.

#### **Principal Effects of the Consolidation**

The Consolidation will affect all shareholders uniformly and will result in each shareholder holding a smaller number of Common Shares. However, the Consolidation will not affect any shareholders' percentage interest, except to the extent that the Consolidation would otherwise result in any shareholder owning a fractional share. No fractional shares will be issued as a result of the Consolidation. If, as a result of the Consolidation, a shareholder would otherwise be entitled to a fraction of a post-Consolidation Common Share, the number of Post-Consolidation Common Shares issuable to such shareholder will be rounded down to the nearest whole number.

The post-Consolidation Common Shares will have the same attributes as the pre-Consolidation Common Shares, and each post-Consolidation Common Shares will be entitled to one vote and will be fully paid and non-assessable.

### **Effect on Non-Registered Shareholders**

Non-registered Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Company for registered shareholders. If you hold your shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee.

### **Effect on Share Certificates**

If the Consolidation is approved by Shareholders and implemented, registered shareholders will be required to exchange their share certificates representing pre-Consolidation Common Shares for new share certificates representing post-Consolidation Common Shares. Following the announcement by the Company of the consolidation ratio selected by the Board and the effective date of the Consolidation, registered Shareholders will be sent a letter of transmittal from the Company's transfer agent, TSX Trust Company., as soon as practicable after the effective date of the Consolidation. The letter of transmittal will contain instructions on how to surrender certificate(s) representing pre-Consolidation Common Shares to the transfer agent. The transfer agent will forward to each registered Shareholder who has sent the required documents a new share certificate representing the number of post-Consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the number of whole post-Consolidation Common Shares, to which the holder is entitled as a result of the Consolidation.

**SHAREHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATE(S) AND SHOULD NOT SUBMIT ANY CERTIFICATE(S) UNTIL REQUESTED TO DO SO.**

### **No Dissent Rights**

Under the BCBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

### **Certain Risks associated with the Share Consolidation**

The effect of the Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for corporations similar to the Company is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of Shareholders who will hold "odd lots"; that is, a number of shares not evenly divisible into board lots (a board lot is either 100,500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to Shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a "board lot".

Nonetheless, despite the risks and the potential increased cost to Shareholders in transferring odd lots of post Consolidation Common Shares, the Board believes the Consolidation is in the best interest of all Shareholders.

### **Shareholder Resolution to Approve the Share Consolidation**

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, approve, with or without variation, the ordinary resolution substantially in the form noted below to permit the Consolidation. The Board and management of the Company believe that the proposed Consolidation is in the best interests of the Company and its Shareholders.

“RESOLVED THAT, as an ordinary resolution, with or without variation, subject to the acceptance by the TSX Venture Exchange:

1. all of the common shares without par value in the capital of the Corporation, 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 ten (10) existing common shares or such lesser ratio as may be approved by the directors and the TSX Venture Exchange;
2. the Directors of the Corporation, in their sole and complete discretion, are authorized and empowered to act upon this ordinary resolution to effect the Consolidation and to determine the actual Consolidation ratio (such ratio not to exceed ten (10) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share), or if deemed appropriate and without any further approval from the shareholders of the Corporation, are authorized and empowered to revoke this ordinary resolution and not to proceed with the Consolidation, without further approval of or notice to the shareholders of the Corporation;
3. any fractional Common Shares resulting from the Consolidation of the Common Shares shall be rounded down to the nearest whole number;
4. any Director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings, and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may be necessary or desirable to give effect to this ordinary resolution, including, without limitation, the determination of the effective date of the Consolidation; and
5. at the date and time determined by the Directors of the Company, this resolution shall be deposited at the Company’s records office and the Consolidation shall become effective in accordance with the provisions of the BCBCA.”

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote “**FOR**” the ordinary resolution to permit the Consolidation. To be effective, the resolution must be passed by a simple majority of the votes cast by shareholders in person or by proxy at the Meeting. The Board and management recommends a vote “**FOR**” the ordinary resolution to permit the Consolidation.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation’s financial statements and management’s discussion and analysis. These documents are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

Pursuant to NI 51-102, the Company is required to annually send a request form to registered holders and beneficial owners of the Corporation’s securities, other than debt securities, that such registered holders and beneficial owners may use to request a copy of the Corporation’s annual financial statements and MD&A, interim financial statements and MD&A, or both. Registered holders and beneficial owners should review the request form carefully. In particular, registered holders and beneficial owners should note that, under applicable Canadian securities laws, the Corporation is only required to deliver financial statements and MD&A to a person or company that requests them. Failing to return a request form or otherwise specifically requesting a copy of the financial statements or MD&A from the Corporation may result in a registered holder or beneficial owner not being sent these documents. Copies of these documents can also be found at [www.sedar.com](http://www.sedar.com).

The Corporation will provide to any securityholder upon request, copies of the Corporation’s financial statements and MD&A for the most recently completed financial year. Please direct your request to the Corporation at 1500, 701 West Georgia, Vancouver, British Columbia, V7Y 1C6, to request the Company’s financial statements and MD&A.

## **DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

Where information contained herein rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

Dated at Vancouver, British Columbia, this 10<sup>th</sup> day of March 2017.

*“Robert L. Birmingham”*

**Robert L. Birmingham**  
Chief Executive Officer, President and Director

## SCHEDULE “A”

### STOCK OPTION PLAN

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means, initially, the President of the Issuer and thereafter shall mean such director or other senior officer or employee of the Issuer as may be designated as Administrator by the Board from time to time;
- (b) “Associate” has the meaning given to it in Policy 1.1 of the TSX Corporate Finance Manual;
- (c) “Award Date” means the date on which the board awards a particular Option;
- (d) “Board” means the board of directors of the Issuer, or any committee thereof which the board of directors of the Issuer has delegated the power to administer and grant options under this Plan;
- (e) “Cause” means:
  - (i) “Cause” as such term is defined in the written employment agreement, if any, between the Issuer and Employee; or
  - (ii) in the event there is no written employment agreement between the Issuer and the Employee or “Cause” is not defined in the written employment agreement between the Issuer and the Employee, the usual meaning of just cause under the common law or the laws of British Columbia;
- (f) “Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (g) “Consultant” means an individual, other than an Employee or Director of the Issuer, or Company that
  - (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Issuer or to an affiliated entity of the Issuer, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Issuer or the affiliated entity and the individual or the Company, as the case may be;
  - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an affiliated entity of the Issuer; and
  - (iv) has a relationship with the Issuer or an affiliated entity of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (h) “consultant company” means a Consultant that is a Company;

- (i) “Director” means any individual holding the office of director or senior officer of the Issuer or a subsidiary of the Issuer;
- (j) “Discounted Market Price” has the meaning given to it in Policy 1.1 of the TSX Corporate Finance Manual;
- (k) “Employee” means an individual who:
  - (i) is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) works full-time for the Issuer or a subsidiary of the Issuer providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source; or
  - (iii) works for the Issuer or a subsidiary of the Issuer on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source;
- (l) “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (m) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;
- (n) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;
- (o) “Expiry Date” means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;
- (p) “Insider” has the meaning given to it in the *Securities Act* (British Columbia);
- (q) “Investor Relations Activities” has the meaning given to it in Policy 1.1 of the TSX Corporate Finance Manual;
- (r) “Issuer” means NEW DESTINY MINING CORP.;
- (s) “Market Price” means the last closing price of the Issuer’s Shares on the TSX before the issuance of the required news release disclosing the grant of an Option, subject to the exceptions provided for in Policy 1.1 of the TSX Corporate Finance Manual;
- (t) “Option” means a non-transferable and non-assignable option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (u) “Option Certificate” means the certificate, in the form set out as Schedule “A” hereto, evidencing an Option;
- (v) “Option Holder” means a Director, Employee or Consultant or former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

- (w) “Other Share Compensation Arrangement” means, other than the Plan and any Options, any employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including but not limited to a purchase of Shares from treasury which is financially assisted by the Issuer by way of loan, guarantee or otherwise;
- (x) “Plan” means this stock option plan;
- (y) “Personal Representative” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (z) “Regulatory Authorities” means all stock exchanges and other organized trading facilities on which the Issuer’s Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Issuer;
- (aa) “Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in force from time to time that are applicable to the Issuer;
- (bb) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Issuer;
- (cc) “Termination Date” means:
  - (i) in the case of the resignation of the Option Holder as an Employee of the Issuer, the date that the Option Holder provides notice of his or her resignation as an Employee of the Issuer to the Issuer; or
  - (ii) in the case of the termination of the Option Holder’s employment with the Issuer by the Issuer for any reason other than death, the date that the Issuer provides notice of termination of the Option Holder’s employment to the Option Holder; or
  - (iii) in the case of the termination of the written contract of the Option Holder to provide consulting services to the Issuer, the date that one of the parties to the written contract provides notice of termination of the written contract to the other party; and
- (dd) “TSX” means the TSX Venture Exchange.

## 1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

## 1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

## **ARTICLE 2**

### **PURPOSE AND PARTICIPATION**

#### **2.1 Purpose**

The purpose of the Plan is to provide the Issuer with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Issuer and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

#### **2.2 Participation**

- (a) The Board shall, from time to time and in its sole discretion, determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded.
- (b) The Board may only grant options to an Employee or Consultant if such Employee or Consultant is a bona fide Employee or Consultant of the Issuer or a subsidiary of the Issuer. The Issuer and the Optionee are responsible for ensuring and confirming that such Employee or Consultant is a bona fide Employee or Consultant of the Issuer or a subsidiary of the Issuer.
- (c) The Board may, in its sole discretion, grant the majority of the Options to Insiders of the Issuer.
- (d) At no time will Options be issued under the Plan, together with all of the Issuer's previously established and outstanding stock option plans or grants and any Other Share Compensation Arrangement, which could permit at any time:
  - (i) the aggregate number of shares reserved for issuance under stock options granted to Insiders (as a group) together with any Other Share Compensation Arrangement, at any point in time exceeding 10% of the issued Shares;
  - (ii) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of options together with any Other Share Compensation Arrangement exceeding 10% of the issued Shares calculated at the date an option is granted to any Insider; or
  - (iii) the aggregate number of options granted to any one person (and Companies wholly owned by that person) together with any Other Share Compensation Arrangement within a 12 month period exceeding 5% of the issued Shares, calculated on the date an option is granted to the person.
- (e) In no case will a Consultant be granted an Option where the number of Shares that may be purchased pursuant to that Option together with any Other Share Compensation Arrangement exceed 2% of the Issuer's issued and outstanding share capital in any 12 month period.
- (f) In no case will the aggregate number of Shares that may be purchased pursuant to Options together with any Other Share Compensation Arrangement granted to persons conducting Investor Relations Activities exceed 2% of the Issuer's issued and outstanding share capital in any 12 month period.

#### **2.3 Notification of Award**

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

#### 2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

#### 2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Issuer, does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Issuer and does not give any Option Holder that is a Consultant the right to be or to continue to be retained as a Consultant by the Issuer.

#### 2.6 Disinterested Shareholder Approval

- (a) The Issuer must obtain disinterested shareholder approval of any amendment to stock options held by Insiders that would have the effect of decreasing the exercise price of the stock options.
- (b) If (a) applies, the proposed amendment must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by:
  - (i) the person that holds or will hold the options in question; and
  - (ii) Associates of persons referred to in (b)(i).
- (c) In circumstances where Options are exercisable into a class of non-voting and subordinate voting shares, the holders of that class of non-voting or subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval pursuant to (a) above.

### **ARTICLE 3** **TERMS AND CONDITIONS OF OPTIONS**

#### 3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Shares the issuance of which shall have been authorized by the Board.

#### 3.2 Number of Shares

Subject to adjustment as provided for in paragraph 3.8 of this Plan, the number of Shares which will be available for purchase pursuant to Options granted under this Plan together with any Other Share Compensation Arrangement will not exceed 10% of the issued and outstanding common shares of the Issuer at the Award Date. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option expired or terminated shall again be available for the purposes of the Plan.

#### 3.3 Term of Option

Subject to paragraph 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the tenth anniversary of the Award Date of such Option or such later date as allowed by the policies of the TSX.

### 3.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in subparagraphs (a) to (c) below: (a) Death of Option Holder

#### (a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director), an Employee (if he or she holds his or her Option as an Employee), or a Consultant (if he or she holds his or her Option as a Consultant), the Expiry Date shall be the first anniversary of the Option Holder's date of death.

#### (b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as a Director of the Issuer and such Option Holder ceases to be a Director of the Issuer other than by reason of death, the Expiry Date of the Option shall be within one year following the date the Option Holder ceases to be a Director of the Issuer, as such period is prescribed in the Option Certificate, unless the Option Holder ceases to be a Director of the Issuer as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); or
- (ii) his or her removal as a director of the Issuer pursuant to the *Business Corporations Act* (British Columbia); or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Issuer.

#### (c) Ceasing to be an Employee or Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Issuer and such Option Holder ceases to be an Employee or Consultant of the Issuer other than by reason of death, unless otherwise provided in the Option Certificate, the Expiry Date of the Option shall be within one year following the Termination Date, as such period is prescribed in the Option Certificate, unless the Option Holder ceases to be:

- (i) an Employee of the Issuer as a result of termination for Cause; or
- (ii) an Employee or Consultant of the Issuer as a result of an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the Termination Date.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

### 3.5 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Issuer's Shares as of the Award Date. Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Option Holder is an Insider of the Issuer at the time of the proposed amendment.

Notwithstanding anything else contained herein, in no case will the Discounted Market Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

### 3.6 Additional Terms

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events;
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Issuer; and
- (d) providing that an Option issued to, held by or exercised by an Option Holder who is a citizen or resident of the United States of America, and otherwise meets the statutory requirements, be treated as an "Incentive Stock Option" as that term is defined for purposes of the United States of America Internal Revenue Code of 1986, as amended.

### 3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

### 3.8 Adjustments

If prior to the complete exercise of an Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### 3.9 Vesting

Options granted to Directors, Employees and Consultants, other than Consultants engaged in Investor Relations Activities, will, subject to the terms and conditions of the Option Certificate, vest fully upon the Award Date, unless vesting is otherwise required by the relevant Regulatory Authorities.

Options granted to Employees engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the Options vesting in any three month period.

### 3.10 Resale Restrictions

In addition to any resale restrictions under Securities laws, if the Exercise Price of the Option is at a discount to the Market Price or if the Option is granted to an Insider, the Option and any Shares issued upon exercise of the Option will be subject to a hold period of four months from the Award Date of the Option in accordance with the requirements of the TSX Corporate Finance Manual. The Option, and the Shares, if applicable, will bear the following legend:

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

## **ARTICLE 4 EXERCISE OF OPTION**

### 4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Issuer in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### 4.2 Withholding Tax

Upon exercise of an Option, the Option Holder will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Shares, pay to the Issuer amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Issuer for such requirements. In order to implement this provision, the Issuer or any related corporation will have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such payment. At its discretion, the Issuer may require an Option Holder receiving Shares to reimburse the Issuer for any such taxes required to be withheld by the Issuer and withhold any distribution to the Option Holder in whole or in part until the Issuer is so reimbursed. In lieu thereof, the Issuer will have the right to withhold from any cash amount due or to become due from the Issuer to the Option Holder an amount equal to such taxes. The Issuer may also retain and withhold or the Option Holder may elect, subject to approval by the Issuer at its sole discretion, to have the Issuer retain and withhold a number of Shares having a market value not less than the amount of such taxes required to be withheld by the Issuer to reimburse the Issuer for any such taxes and cancel (in whole or in part) any such Shares so withheld.

### 4.3 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the Share Certificate for the balance of Shares available under the Option.

### 4.4 Condition of Issue

The Options and the issue of Shares by the Issuer pursuant to the exercise of Options are subject to the terms and conditions of this Plan and compliance with the rules and policies of all applicable Regulatory Authorities to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws.

The Option Holder agrees to comply with all Securities Laws and agrees to furnish to the Issuer any information, reports or undertakings required to comply with, and to fully cooperate with, the Issuer in complying with such Securities Laws.

## **ARTICLE 5 ADMINISTRATION**

### 5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Issuer such administrative duties and powers as it may see fit.

### 5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Issuer.

## **ARTICLE 6 AMENDMENT AND TERMINATION**

### 6.1 Prospective Amendment

The Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

### 6.2 Retrospective Amendment

The Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options that have been previously granted.

### 6.3 Approvals

This Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

### 6.4 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

## 6.5 Agreement

The Issuer and every Option awarded hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Issuer to be bound by the terms and conditions of this Plan.

## SCHEDULE "A"

Legend to be included if exercise price is below Market Price or the Option Holder is an Insider:

[WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL .]

NEW DESTINY MINING CORP.  
Stock Option Plan

### Option Certificate

This Certificate is issued pursuant to the provisions of the New Destiny Mining Corp. (the "Issuer") Stock Option Plan (the "Plan") and evidences that is the holder (the "Option Holder") of an option (the "Option") to purchase up to common shares (the "Shares") in the capital stock of the Issuer at a purchase price of CDN\$ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is;
- (b) the Expiry Date of this Option is;
- (c) this Option vests as follows: [include vesting terms]: and
- (d) this Option terminates \_\_\_\_\_ days after the Option Holder ceases to be an eligible person to receive Options under the Plan.

This Option may be exercised at any time and from time to time from and including the Award Date through to and including up to 4:30 local time in Vancouver, British Columbia on the Expiry Date by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "New Destiny Mining Corp." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Issuer to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Issuer shall prevail.

The foregoing Option has been awarded this \_\_\_\_\_ day of \_\_\_\_\_

NEW DESTINY MINING CORP.

Per: Administrator, Stock Option Plan  
New Destiny Mining Corp.

**SCHEDULE “B”**

**NEW DESTINY MINING CORP.  
STOCK OPTION PLAN**

**NOTICE OF EXERCISE OF OPTION**

TO: The Administrator, Stock Option Plan  
NEW DESTINY MINING CORP.

The undersigned hereby irrevocably gives notice, pursuant to the NEW DESTINY MINING CORP. (the “Issuer”) Stock Option Plan (the “Plan”), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares;  
which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to “NEW DESTINY MINING CORP.” in an amount equal to the aggregate Exercise Price of the aforesaid shares and directs the Issuer to issue the certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

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DATED the \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Signature of Option Holder



