

CR CAPITAL CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON JUNE 26, 2017**

AND

MANAGEMENT INFORMATION CIRCULAR

MAY 15, 2017

CR CAPITAL CORP.
2100 - 1 Adelaide Street East
Toronto, Ontario
M5C 2V9

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of CR Capital Corp. (the “**Corporation**”) will be held at the offices of the Corporation at 1 Adelaide Street East, Suite 2100, Toronto, Ontario at 10:00 a.m. (Toronto time) on Thursday, June 26, 2017 for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the financial year ended December 31, 2016 together with the report of the auditor thereon;
2. to elect directors of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation or until their successors shall be elected or appointed;
3. to re-appoint the auditor of the Corporation, to hold office until the close of the next annual meeting of the shareholders of the Corporation or until a successor is appointed, and to authorize the directors of the Corporation to fix the remuneration of the auditor;
4. to authorize a stock option plan for the Corporation and to set the number of common shares of the Corporation (“**Common Shares**”) issuable thereunder at 10% of the number of issued and outstanding Common Shares from time to time;
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the accompanying management information circular.

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 May 15, 2017 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

Notice-and-Access

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders.

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended December 31, 2016 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2016 (“**MD&A**”) will be posted on the TSX Trust Company website – <http://noticeinsite.tsxtrust.com/CRCapitalASM2017>. The proxy-related materials will also be available on SEDAR at www.sedar.com. The Corporation will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Management Information Circular

to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call the Corporation's transfer agent TSX Trust Company toll-free at 1-866-393-4891. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting the Corporation at 416-849-7773 or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or TSX Trust Company by June 15, 2017 in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Voting

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A "beneficial" or "non-registered" Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with TSX Trust Company (in the case of registered holders) at Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, Fax: 416.595.9593, no later than 48 hours (excluding Saturdays, Sundays and Statutory holidays in the city of Toronto prior to the time set for the Meeting or any adjournments or postponements thereof (the "Proxy Deadline"), failing which such votes may not be counted, or your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline. **SHAREHOLDERS ARE REMINDED TO REVIEW THE ACCOMPANYING MANAGEMENT INFORMATION CIRCULAR BEFORE VOTING.**

DATED at Toronto, Ontario as of the 15th day of May 2017.

BY ORDER OF THE BOARD

(Signed) Brian Howlett
President and Chief Executive Officer

CR CAPITAL CORP

MANAGEMENT INFORMATION CIRCULAR

May 15, 2017

SOLICITATION OF PROXIES

CR Capital Corp. (the “**Corporation**”) is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for distribution of this Management Information Circular to both registered and non-registered (or beneficial) shareholders of the Corporation (collectively, the “**Shareholders**”). Further information on notice-and-access is contained below under the heading *General Proxy Information – Notice and Access* and Shareholders are encouraged to read this information for an explanation of their rights.

This Management Information Circular is furnished in connection with the solicitation of proxies by the management and the directors of the Corporation for use at the annual and special meeting of the Shareholders to be held at the offices of the Corporation at 1 Adelaide Street East, Suite 2100, Toronto, Ontario at 10:00 a.m. (Toronto time), on Thursday, June 26, 2017 and at all adjournments or postponements thereof (the “**Meeting**”) for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). **The solicitation is made by or on behalf of the management of the Corporation.** The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation (“**Common Shares**”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of the solicitation will be borne by the Corporation.

GENERAL PROXY INFORMATION

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on May 15, 2017 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, TSX Trust Company (“**TSX Trust**”), at Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, Tel: 1-866-393-4891 or Fax Number: 416.595.9593, by not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Management Information Circular is as of May 15, 2017.

Voting of Proxies

The Common Shares represented by the form of proxy delivered to registered Shareholders (if the same is properly executed and is received at the offices of TSX Trust at the address provided herein, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of the filing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of TSX Trust, at the address provided herein, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of TSX Trust;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with TSX Trust at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or

- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders

The information set forth in this paragraph is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares in their own name. Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are “non-registered” or “beneficial” Shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies, via mail or electronically, of the Notice, this Circular, the form of proxy and a request card for interim materials (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary** or its service company, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) be given a form of proxy which **has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by

the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust at Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, Tel: 1-866-393-4891 or Fax Number: 416.595.9593.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Corporation is not sending Meeting Materials directly to the NOBOs. The Corporation will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs. **As more particularly outlined below under the heading "Notice-and-Access", Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.**

Notice and Access

As noted above, the Corporation is utilizing the Notice-and-Access Provisions that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Management Information Circular to all registered Shareholders and Non-Registered Shareholders.

The Notice-and-Access Provisions are a new set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended December 31, 2016 ("**Financial Statements**") and management's discussion and analysis of the Corporation's results of operations and financial condition for 2016 ("**MD&A**") may be found on the Corporation's SEDAR profile at www.sedar.com or at TSX Trust website – <http://noticeinsite.tsxtrust.com/CRCapitalASM2017>. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Management Information Circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access

Provisions, which will not include a paper copy of this Management Information Circular. **Shareholders are reminded to review this Management Information Circular before voting.**

Although this Management Information Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Corporation’s supplementary mailing list.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call the Corporation’s transfer agent TSX Trust toll-free at 1-866-393-4891. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge or upon request to the Corporate Secretary of the Corporation or the TSX Trust at 1-866-600-5869.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or TSX Trust by June 15, 2017 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Corporation or TSX Trust, or b) their voting instruction form to their Intermediaries by its due date.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares. Each Common Share entitles the holder of record thereof to one vote per Common Share at all meetings of the shareholders of the Corporation. As of the close of business on May 15, 2017, there were 8,327,337 Common Shares outstanding.

Record Date

The directors of the Corporation have fixed May 15, 2017 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Shareholders of record at the close of business on May 15, 2017 will be entitled to vote at the Meeting and at all adjournments thereof, except to the extent that a shareholder has transferred any Common Shares after the record date and the transferee of such Common Shares produces a properly endorsed share certificate or otherwise establishes that the transferee owns the Common Shares and requests, not later than ten days before the Meeting, that his, her or its name be included in the list of the shareholders of the Corporation entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting and at all adjournments thereof.

A quorum for the transaction of business at the Meeting shall be shareholders and/or persons appointed by proxy personally present and holding or representing by proxy not less than 20% of the shares entitled to vote at the Meeting.

Ownership of Securities of the Corporation

As of May 15, 2017, to the knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the

Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, except as follows:

<u>Name</u>	<u>Number of Common Shares Beneficially Owned or Over Which Control or Direction is Exercised⁽¹⁾</u>	<u>Percentage of Issued and Outstanding Common Shares</u>
Dundee Corporation	866,250	10.40%

Note:

(1) According to the insider information filed on-line with the System for Electronic Disclosure by Insiders (“SEDI”) as of May 15, 2017.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis (“CD&A”) is to provide information about the Corporation’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation’s executive officers, in particular, the two identified named executive officers (the “NEOs”), namely, Brian Howlett, President and Chief Executive Officer (the “CEO”), and Carmelo Marrelli, Chief Financial Officer (the “CFO”) for the period ended December 31, 2016. Mr. Brian Howlett was appointed as President and Chief Executive Officer by the Board of Directors effective April 14, 2014. Mr. Howlett reported in the NEO disclosure set out herein, where applicable. Mr. Marrelli acts as the CFO through his consulting company, Marrelli Support Services Inc.

In order to assist the board of directors of the Corporation (the “Board” or “Board of Directors”) in fulfilling its oversight responsibilities with respect to human resources matters, the Board has established a compensation committee (the “Compensation Committee”). During the most recently completed fiscal year, the Compensation Committee was comprised of three directors, namely David Comba, Stephen Lidsky and Mark Goodman. With the exception of Mr. Mark Goodman, who has been Executive Chairman of the Corporation over the last three years, all of the Compensation Committee members are independent within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”).

Each member of the Compensation Committee has been in a senior leadership position in various organizations, and in those capacities obtained direct experience relevant to executive compensation, and have the skills and experience that enable the Committee to make decisions on the suitability of the Corporation’s compensation policies and practices.

The role of the Compensation Committee is to: (i) establish the philosophy and objectives that will govern the Corporation’s compensation program; (ii) oversee and recommend for Board approval, executive officer compensation and benefits; (iii) recommend for Board approval other compensation and benefits plans and arrangements; (iv) oversee the Corporation’s stock option plan and annual bonus plan; and (v) promote the clear and complete disclosure to shareholders of material information regarding executive compensation. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The Compensation Committee has not formally considered the implications of risks associated with the Corporation’s compensation policies and practices as, in their view, the current structure of the Corporation’s executive compensation arrangements is focussed on long-term value and is designed to

correlate to the long-term performance of the Corporation, which includes but is not limited to performance of its share price.

The NEOs and directors of the Corporation are not formally prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted as or underlying share-based compensation or otherwise held directly or indirectly by an NEO or a director. In the view of the Compensation Committee, the structure and nature of directors and executive compensation, including the manner in which options are granted, vested and paid-out under the Corporation's stock option plan is designed to reduce the need to hedge or offset any potential decrease in the price of our shares and is adequate to ensure that the interests of the directors and NEOs are adequately aligned with those of the Corporation generally.

Compensation Process

The Compensation Committee relies on the knowledge and experience of its members to set appropriate levels of compensation for executive officers. Neither the Corporation nor the Compensation Committee currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of executive officer or director compensation.

There are no pre-established formulas for determining executive officer compensation. Generally, the Compensation Committee evaluates the officer's performance, including reviewing the Corporation's performance as against its business plans and the officer's achievements during the fiscal year. The Compensation Committee uses all data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Compensation Committee does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Compensation Committee's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Corporation's business strategy, best practices/trends in human resources, and general economic considerations.

The Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, annual cash incentives, and prior awards under the stock option plan) and recommends the NEOs' compensation packages. The Compensation Committee's recommendations regarding NEO compensation are presented to the Board for their consideration and approval.

From time to time the Board grants stock options as part of an officer's compensation or in recognition of the achievement of a particular goal or extraordinary service. The Board determines the particulars with respect to all Options granted. The exercise price of each option awarded under the stock option plan is not less than the closing price of the Common Shares on the day preceding the grant.

The Corporation notes that it is in an exploration phase with respect to its properties and has to operate with limited financial resources and control costs to ensure that funds are available to complete scheduled programs and otherwise fund its operations. The Compensation Committee and the Board consider the current and anticipated financial position of the Corporation at the time of any compensation determination. Historically, as the Corporation has been in an exploration and development phase with respect to its properties and has had to operate with limited financial resources, the Compensation Committee and the Board have kept the cash compensation paid to the CEO to a base salary consistent with industry norms for a company of the Corporation's size, while providing significant long-term

incentives through the granting of stock options. In future years, the Compensation Committee and the Board will continue to evaluate this approach in light of the development of the Corporation's properties and financial resources and may choose to increase the salary of, and grant additional options to, the Corporation's executive officers and employees, as the Compensation Committee, in consultation with the Board, deems appropriate under the circumstances.

Compensation Program

Principles/Objectives of the Compensation Program

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's executive officers is determined with regard to the Corporation's business strategy and objectives and within the limited financial resources of the Corporation, such that the financial interests of the executive officers are matched with the financial interests of the shareholders.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Corporation's executive officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows.

<u>Compensation Element</u>	<u>Link to Compensation Objectives</u>	<u>Link to Corporate Objectives</u>
Base Salary	Attract and Retain Reward	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Annual Incentives	Motivate and Reward	Annual incentives focus executive officers on the achievement of corporate objectives and reward exceptional performance.
Stock Options	Motivate and Reward Align interests with interests of shareholders	Long-term incentives motivate and reward executive officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

2016 Performance and Compensation

The Corporation is an exploratory stage mining company and will not be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Compensation Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of executive officers is based, in substantial part, on trends in the mining industry as well as achievement of the Corporation's business plans. The Compensation Committee did not establish any quantitative or qualitative performance goals or similar conditions in 2016 with respect to base salaries payable or the amount of equity compensation granted to NEOs.

Base Salaries and Consultant Fees

The Corporation provides executive officers with base salaries which represent their minimum compensation for services rendered during the fiscal year. Each NEOs' base salary depends on the scope of his or her experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

Mr. Howlett's base salary in 2016 was \$72,000 and his base salary in 2015 was \$69,000. Mr. Marrelli did not receive a base salary in 2016 and 2015.

Annual Incentives

The Corporation has established an annual bonus program (the "**Bonus Plan**") to be competitive from a total remuneration standpoint and to provide it with the ability to recognize outstanding executive officer performance. As a result, the Compensation Committee has been provided with the discretion to award bonuses to executive officers when the Corporation is in the financial position to make such awards. Notwithstanding this discretion, cash bonuses to the CEO and any material cash bonuses to any other executive officers require the approval of the Board.

Due to the financial position of the Corporation, neither Mr. Howlett nor Mr. Marrelli received a bonus payment in 2016.

Stock Options

The grant of options ("**Options**") to purchase Common Shares pursuant to the Corporation's stock option plan (the "**Stock Option Plan**") is an integral component of the compensation packages of the executive officers of the Corporation. The Compensation Committee believes that the grant of Options to executive officers and Share ownership by such officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all shareholders. Options are awarded to employees of the Corporation by the Board based upon the recommendation of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of the individual toward the Corporation's goals and objectives. The Compensation Committee considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The Compensation Committee's decisions with respect to the granting of Options are reviewed by the Board and are subject to its final approval. See "Long Term Incentive Plan Awards - Current Stock Option Plan" (below) for a detailed description of the Stock Option Plan.

In 2015 and 2016, the Corporation did not grant any stock options to directors or officers.

Executive Compensation

Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs for services rendered in all capacities during the fiscal years ended December 31, 2016, 2015 and 2014.

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation		Pension value	All other compensation(s) ⁽²⁾	Total compensation
					Annual Incentive Plans	Long-term Incentive Plans			
		(\$)	(\$)	(\$)	(\$)		(\$)	(\$)	(\$)
Brian Howlett ⁽³⁾ President & CEO	2016	72,000	Nil	Nil	Nil	Nil	Nil	Nil	72,000
	2015	69,000	Nil	Nil	Nil	Nil	Nil	Nil	69,000
	2014	50,000	Nil	20,625	Nil	Nil	Nil	Nil	70,625
Carmelo Marrelli ⁽²⁾ CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	61,327	61,327
	2015	Nil	Nil	Nil	Nil	Nil	Nil	64,857	64,857
	2014	Nil	Nil	2,475	Nil	Nil	Nil	67,194	69,669

Note:

- (1) The fair value of these awards was calculated using the Black-Scholes option pricing model. See discussion below for details.
- (2) In 2016, 2015 and 2014, Mr. Marrelli was paid \$18,479, \$18,411 and \$18,000, respectively, through Marrelli Support Services Inc. for acting as the CFO of the Corporation and was paid \$27,833, \$30,777 and \$27,952, respectively, through Marrelli Support Services Inc. for accounting services provided to the Corporation. In addition, for the year ended December 31, 2016, 2015, and 2014, the Corporation expensed \$15,015, \$15,669 and \$21,242 to DSA Corporate Services Inc. (“DSA”) for corporate secretarial services. DSA is private company controlled by Carmelo Marrelli, the CFO of the Corporation. Carmelo Marrelli is also the corporate secretary of sole director of DSA. Mr. Marrelli was appointed to act as CFO in 2011.
- (3) Mr. Howlett was appointed as President and Chief Executive Officer by the Board of Directors effective April 14, 2014.

The value disclosed for the awards is based on the grant date fair value of the award. The fair value of these awards was calculated using the Black-Scholes option pricing model, taking into account the following assumptions: (i) risk-free interest rate – 1.58%; (ii) life of grant – five years; (iii) volatility – 140%; and (iv) expected dividend yield – 0%. The Corporation choose the Blake-Scholes option pricing model for determining grant date fair value, because the method is the widely accepted method in industry and allowed by IFRS. As described under “Executive Compensation – Incentive Plan Awards”, all option based-awards were fully vested upon grant.

Incentive Plan Awards

The following table provides details regarding outstanding NEO option and share-based awards as of December 31, 2016:

<i>Outstanding share-based awards and option-based awards</i>							
Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Carmelo Marrelli	15,000	\$0.50	Sept 2, 2019	\$0	N/A	N/A	N/A
Brian Howlett ⁽³⁾	125,000	\$0.50	Sept 2, 2019	\$0	N/A	N/A	N/A

Note:

- (1) All Options fully vested upon grant.
- (2) Based on the closing price of the Common Shares on the TSX-V (as defined below) on December 31, 2016 of \$0.06.
- (3) Mr. Brian Howlett was appointed as President and Chief Executive Officer by the Board of Directors effective April 14, 2014.

Please see “2016 Performance and Compensation - Stock Options” (above) for a discussion of the Stock Option Plan and determinations of awards during the year ended December 31, 2016. Please see “Current Stock Option Plan” (below) for details regarding the Stock Option Plan.

The following table provides details regarding outstanding NEO option-based awards, share-based awards and non-equity incentive plan compensation, which vested and/or was earned during the year ended December 31, 2016:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Carmelo Marrelli	Nil	N/A	Nil
Brian Howlett	Nil	N/A	Nil

Director Compensation

During the financial year ended December 31, 2016, directors of the Corporation who were not officers or employees received no fees for their services as directors. The Corporation, at the election of the Board of Directors, has discontinued paying directors’ fees until further notice. Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may also receive Options as recommended by the Compensation Committee and determined by the Board of Directors. The exercise price of any option granted under the Stock Option Plan is determined by the directors of the Corporation at the time of grant in their sole discretion, but may not be less than the closing price of the Common Shares on the day preceding the day on which the directors of the Corporation grant such option, less any discount permitted by the TSX Venture Exchange (the “**TSX-V**” or the “**Exchange**”). During the financial year ended December 31, 2016, the Corporation did not grant any Options to non-executive members of the Board of Directors.

Directors are also entitled to receive compensation to the extent that they provided services to the Corporation at rates that would otherwise be charged by such directors for such services to arm’s length parties or less. During the financial year ended December 31, 2016, there were no additional fees paid to directors for such additional services.

Director Summary Compensation Table

The following compensation table sets out the compensation paid to each of the Corporation's directors in the year ended December 31, 2016:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)		(f)	(g)
Alain Krushnisky	Nil	N/A	Nil	N/A	Nil	Nil	Nil
Mark Goodman	Nil	N/A	Nil	N/A	Nil	Nil	Nil
Stephen Lidsky	Nil	N/A	Nil	N/A	Nil	Nil	Nil
David Comba	Nil	N/A	Nil	N/A	Nil	Nil	Nil
Brian Howlett	Nil	N/A	Nil	N/A	Nil	72,000	72,000
Gérald Riverin	Nil	N/A	Nil	N/A	Nil	Nil	Nil

Incentive Plan Awards

The following table provides details regarding the outstanding option and share-based awards held by directors as of December 31, 2016:

Note:

- (1) All Options fully vested on grant.
(2) Based on the closing price of the Common Shares on the TSX-V on December 31, 2016 of \$0.06.

<i>Outstanding share-based awards and option-based awards</i>								
Name	Option-based Awards					Share-based Awards		
	Option grant date	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$) ⁽²⁾	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 (\$)
Alain Krushnisky	September 2, 2014	40,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A
Stephen Lidsky	September 2, 2014	40,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A
Brian Howlett	September 2, 2014	125,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A
Mark Goodman	September 2, 2014	75,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A
David Comba	September 2, 2014	40,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A
Gérald Riverin ⁽³⁾	September 2, 2014	40,000	\$0.50	September 2, 2019	0	N/A	N/A	N/A

Please see “Long Term Incentive Plan Awards – Current Stock Option Plan” (below) for details regarding the Corporation's rolling Stock Option Plan.

As set out in the following table, there were no outstanding director option-based awards, share-based awards or non-equity incentive plan compensation that vested in the fiscal year ended December 31, 2016.

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Alain Krushnisky	Nil	N/A	Nil
Stephen Lidsky	Nil	N/A	Nil
Brian Howlett	Nil	N/A	Nil
Mark Goodman	Nil	N/A	Nil
David Comba	Nil	N/A	Nil
Gérald Riverin	Nil	N/A	Nil

Long Term Incentive Plan Awards

The Corporation has no long term incentive plans other than Options granted from time to time under the provisions of the Stock Option Plan.

Current Stock Option Plan

The Corporation currently has in place a “rolling” Stock Option Plan (the “**Current Plan**”) whereby a maximum of 10% of the then outstanding Common Shares of the Corporation may be reserved for issue pursuant to the exercise of Options. The term of any Option granted under the Current Plan is fixed by the directors of the Corporation at the time such Option is granted, provided that Options are not permitted to exceed a term of five years (or ten years if the Corporation is reclassified by the Exchange as a Tier 1 Issuer under the policies of the Exchange). The exercise price of any Option granted under the Current Plan is determined by the directors of the Corporation at the time of grant in their sole discretion, but may not be less than the closing price of the Common Shares on the day preceding the day on which the directors of the Corporation grant such Option, less any discount permitted by the Exchange. The Current Plan contains, among others, the following additional terms and conditions:

- (a) all Options are non-assignable and non-transferable;
- (b) Options on no more than 5% of the then outstanding Common Shares may be granted to any one individual in any 12 month period;
- (c) Options on no more than 2% of the then outstanding Common Shares may be granted to any one consultant in any 12 month period;
- (d) Options on no more than an aggregate of 2% of the then outstanding Common Shares may be granted to employees conducting investor relations activities in any 12 month period;
- (e) disinterested shareholder approval must be obtained for
 - (i) any reduction in the exercise price of an outstanding Option, if the Option holder is an insider of the Corporation,

- (ii) any grant of Options to insiders of the Corporation, within a 12 month period, exceeding 10% of the then outstanding Common Shares, and
- (iii) any grant of Options to any one individual, within a 12 month period, which exceeds 5% of the then outstanding Common Shares; and
- (f) the number of Common Shares or the type of securities issuable upon the exercise of Options will be adjusted for normal dilution events, including in the event of any consolidation, subdivision, conversion or exchange of the Common Shares.

The directors of the Corporation may, at the time of a grant of an Option, attach restrictions relating to the exercise of such Option, including vesting provisions.

Termination Benefits

The Corporation has not entered into any employment agreements with any NEOs provide for the payment to such NEO, in the event of such NEO's termination.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No current director or officer of the Corporation, no individual who held any such position during the financial year ended December 31, 2016, no proposed nominee for election as a director of the Corporation and no associate of any of the foregoing is, or during the financial year ended on December 31, 2016 has been, indebted to the Corporation, nor have these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or undertaking provided by the Corporation either pursuant to an employee stock purchase program of the Corporation or otherwise during the financial year of the Corporation ended December 31, 2015.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance ("**D&O Insurance**") for its directors and officers. The D&O Insurance insures the Corporation and its directors and officers against liability arising from wrongful acts of the Corporation's directors and officers in their capacity as directors and officers of the Corporation, subject to limitations, if any, contained in the *Business Corporations Act* (Ontario), and has an aggregate policy limit of \$3,000,000. The D&O Insurance coverage is subject to a deductible of \$25,000 on indemnifiable and securities claims. The current D&O Insurance policy is in effect until June 19, 2017 and has an aggregate annual premium of \$7,560. No portion of the D&O Insurance is directly paid by any director or officer of the Corporation.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as of December 31, 2016, information concerning securities authorized for issue under equity compensation plans of the Corporation.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options</u>	<u>Weighted Average Exercise Price of Outstanding Options</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</u>
Equity compensation plans previously approved by security holders	385,000	\$0.50	447,734
Equity compensation plans not previously approved by security holders	-	-	-
Total	385,000	\$0.50	447,734

BUSINESS OF THE MEETING

Receipt of Financial Statements and the Auditors Report

A copy of the annual financial statements of the Corporation for the year ended December 31, 2016 and the report of the auditors on the annual financial statements accompany this Management Information Circular. Copies of the annual financial statements can also be obtained under the Corporation's profile on SEDAR at www.sedar.com.

Election of Directors

At the Meeting, shareholders of the Corporation will be asked to elect six directors for the ensuing year. **The persons named in the form of proxy accompanying this Management Information Circular intend to vote FOR the election of the nominees whose names are set forth below, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Management Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director elected will hold office until the close of the next annual meeting of the shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation or employment during the last five years, the dates upon which the nominees became directors of the Corporation and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of May 15, 2017:

<u>Name, Position and Municipality of Residence</u>	<u>Principal Occupation</u>	<u>Date Became Director</u>	<u>Common Shares Owned or Controlled⁽⁴⁾</u>
C. David A. Comba ⁽²⁾⁽³⁾ Director Burlington, Ontario (Canada)	Graduate Geologist (MSc). Retired Executive.	August 26, 2005	25,766
Mark E. Goodman ⁽³⁾ Executive Chairman and Director Toronto, Ontario (Canada)	Vice President of Dundee Corporation.	December 13, 2002	319,216
Brian Howlett President and CEO Mississauga, Ontario (Canada)	President and CEO, CR Capital Corp.	June 19, 2014	350,000
Alain Krushnisky ⁽¹⁾ Director Montreal, Québec (Canada)	Financial Consultant	June 26, 2009	8,000
Gérald Riverin ⁽²⁾ Director Rouyn-Noranda, Québec (Canada)	President and CEO of Yorbeau Resources Inc.	June 27, 2006	69,005

Note:

- (1) *Member of the Audit Committee.*
- (2) *Member of the Technical Advisory Committee.*
- (3) *Member of the Compensation Committee.*
- (4) *The information as to the number of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised is, in each instance, based upon information furnished by the respective nominee as of May 15, 2017*

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation was, or within ten (10) years prior to the date hereof was a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order that was issued while the director or proposed director was acting in the capacity as director, chief executive officer or chief financial officer, that was in effect for a period of more than thirty (30) consecutive days, or (ii) was subject to a cease order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, that was in effect for a period of more than thirty (30) consecutive days.

No director or proposed director of the Corporation: (i) is, or has been within the ten (10) years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten (10) years prior to the date hereof, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director.

Re-Appointment of Auditor

The auditor of the Corporation is currently McGovern, Hurley, Cunningham, LLP (“MHC”). **The persons named in the form of proxy accompanying this Management Information Circular intend to vote FOR the re-appointment of MHC as the auditor of the Corporation** until the close of the next annual meeting of the shareholders of the Corporation or until a successor is appointed and to authorize the directors of the Corporation to fix the remuneration of the auditor of the Corporation, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Corporation.

Approval of Stock Option Plan

The directors of the Corporation established the Stock Option Plan pursuant to resolutions of the Board dated December 13, 2002. Initial approval of the Current Plan was obtained from the shareholders of the Corporation on June 27, 2005. The Current Plan is a rolling plan and up to 10% of the total number of issued and outstanding Common Shares are issuable upon exercise of Options granted pursuant to the Current Plan from time to time. An aggregate of 385,000 Options have been granted and are outstanding as of May 15, 2016. In order to comply with the rules and regulations of the Exchange, the Corporation is seeking re-approval from the shareholders of the Current Plan. A copy of the Current Plan is attached hereto as Schedule B.

Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Corporation subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant. The exercise price of Options issued may not be less than the fair market value of the Common Shares at the time the Option is granted.

At the Meeting, shareholders of the Corporation will be asked to consider, and if thought fit, approve a motion to approve the Current Plan. The resolution (the “**Option Plan Resolution**”) which will be put forward to the shareholders of the Corporation for approval at the Meeting is attached hereto as Schedule A.

Unless specifically instructed to vote against the Option Plan Resolution, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the approval of the Current Plan. In order to be effected, this ordinary resolution must be approved by a majority of the votes cast in respect thereof.

The Board of Directors recommends the adoption of the above resolutions. In order to be effective, the resolutions confirming the Advance Notice By-Law must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of such resolutions.

CORPORATE GOVERNANCE DISCLOSURE

Directors

National Instrument 58-101, *Corporate Governance Practices* (“NI 58-101”) defines an “independent” director as a director who has no direct or indirect material relationship with the Corporation which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment. Certain individuals, including anyone who is, or has been within the last three years, an employee or executive officer of the Corporation, are deemed to have a material relationship with the Corporation. Mr. Mark Goodman, the Executive Chairman of the Corporation and Mr. Brian Howlett, President and CEO of the Corporation, are the only directors of the Corporation who are also members of management, and are therefore not independent directors of the Corporation for the purpose of NI 58-101. Messrs. Comba, Lidsky, Riverin and Krushnisky are independent directors of the Corporation for the purpose of NI 58-101 as they do not have any business, employment or other relationships with the Corporation.

The following provides a list of reporting issuers on which the director nominees serve:

<u>Name of Director of the Corporation</u>	<u>Other Reporting Issuers</u>
C. David Comba	First Nickel Inc. Regent Pacific Group Limited (Hong Kong – Frankfurt)
Mark E. Goodman	Dundee Acquisition Ltd. Dundee Corporation Dundee Sustainable Technologies Inc. Focused Capital Corp. Focused Capital II Corp. Skyline International Inc.
Brian Howlett	Nighthawk Gold Inc. Dundee Sustainable Technologies Inc..
Alain Krushnisky	Highland Copper Company Limited Niobay Metals Inc. Odyssey Resources Ltd. Reunion Gold Corporation
Gerald Riverin	Junex Inc. Odyssey Resources Ltd. Yorbeau Resources Inc.

Orientation and Continuing Education

The CEO is responsible for providing an orientation and education program for new directors of the Corporation. New directors are given the opportunity to become familiar with the Corporation by meeting with the other directors and with the other officers of the Corporation. As each director has a different skill set and professional background, orientation and training activities are tailored to the particular needs and experience of each director.

Ethical Business Conduct

The CEO of the Corporation or the Board of Directors as a whole, as appropriate, from time to time provide officers and directors of the Corporation guidance in properly recognizing and resolving any legal or ethical issues that they may encounter while conducting the business of the Corporation.

Nominations

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board does not believe that a separate nominating committee is warranted at the present time. The Board considers its size each year when management prepares its nominees of candidates to be elected at the annual meeting of shareholders. The Board has determined that six is the appropriate number of directors at the present time, taking into account the number required for the Board to carry out its duties effectively while maintaining a diversity of views and experience. The size of the Board may vary from time to time in the future in accordance with the growth and needs of the Corporation.

Compensation

Please refer to the section titled “Compensation Discussion and Analysis” for information relating to the process for determining compensation for the directors and the officers of the Corporation.

Assessments

The directors of the Corporation as a whole conduct a self-evaluation at least annually to assess the level of effectiveness of each director. In addition, the directors of the Corporation as a whole periodically consider the mix of skills and experience that directors bring to the Corporation to assess on an ongoing basis whether the directors of the Corporation have the necessary skills to perform their oversight function effectively.

Committees of Directors

Audit Committee

The Audit Committee of the Corporation consists of three directors, being Messrs. Stephen Lidsky, Mark Goodman and Alain Krushnisky (Chair), a majority of whom are independent.

Mr. Lidsky has a Master of Industrial Relations degree. Having operated his own company for many years, he is well versed in reading and understanding financial statements. Currently, as a commercial mortgage broker, he underwrites deals on behalf of private investors. In underwriting these loans, much emphasis is placed on interpreting financial statements. Mr. Lidsky is financially literate and an independent director of the Corporation for the purpose of National Instrument 52-110– *Audit Committees* (“NI 52-110”).

Mr. Krushnisky is a Chartered Accountant and financial consultant with over twenty years experience working in the mining and exploration field. He presently serves as Chief Financial Officer for a number of publicly listed junior exploration companies. Mr. Krushnisky is financially literate and an independent director of the Corporation for the purpose of NI 52-110.

Mr. Goodman obtained his Bachelor of Arts from York University in 1992. Mr. Goodman has extensive employment experience directly related to the preparation of and supervision of the preparation of financial statements and he also serves as director of other publicly-traded companies involved in mineral exploration. Mr. Goodman is financially literate for the purpose of NI 52-110.

The mandate of the Audit Committee is to:

- review and recommend approval by the directors of the Corporation of annual and interim financial statements;
- review and recommend approval by the directors of the Corporation of annual and interim MD&A disclosure;
- review all public disclosure by the Corporation which contains financial information;
- recommend the appointment and the compensation of the external auditors of the Corporation;
- assess internal controls appropriate for the Corporation; and
- pre-approve all non-audit engagements of the external auditors of the Corporation.

Individual members of the Audit Committee have direct communication channels with the external auditors of the Corporation to the extent considered appropriate. The text of the charter of the Audit Committee is set out in Schedule C attached to this Management Information Circular.

At no time since the commencement of the Corporation's most recently completed financial year did the Corporation rely on exemptions in NI 52-110 (2.4) or Part 8.

The Audit Committee has not made any recommendations to the Board of Directors to nominate or compensate any external auditor that was not accepted by the Board of Directors.

The Audit Committee Charter requires the Audit Committee to pre-approve all non-audit engagements of the auditor or to adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services. To date, no such policies or procedures have been implemented, however, the Audit Committee continues to pre-approve all non-audit engagements of the auditor.

The aggregate fees billed by the external auditors of the Corporation in each of the last two financial years of the Corporation are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees⁽¹⁾</u>	<u>All Other Fees⁽²⁾</u>
December 31, 2016	\$18,000	Nil	\$3,500	Nil
December 31, 2015	\$18,000	Nil	\$2,000	Nil

Note:

- (1) *Tax fees were for tax compliance, which services included the preparation of all federal and provincial tax returns for the Corporation.*
(2) *Other fees were in respect of the annual fee levied by the Canadian Public Accountability Board.*

Other Committees

The Technical Advisory Committee of the Corporation consists of two directors, being Messrs. Gérald Riverin and David Comba. The Technical Advisory Committee meets to review projects and perform site visits as deemed necessary. Mr. Comba chairs the Technical Advisory Committee.

The Compensation Committee consists of three members, being Messrs. David Comba, Stephen Lidsky and Mark Goodman. The Compensation Committee determines the compensation of the Corporation's directors and officers.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor, the approval of the Stock Option Plan and as may be set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There have been no transactions entered into or which are proposed to be entered into which have materially affected or will materially affect the Corporation or any subsidiary thereof involving an insider of the Corporation, a proposed nominee for election as a director of the Corporation or any associate or affiliate of any such insider or proposed nominee.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be obtained under the Corporation's profile on SEDAR at www.sedar.com. Further financial information is provided by the audited annual financial statements of the Corporation for the financial year ended December 31, 2016 and related management's discussion and analysis of results which accompany this Management Information Circular and have also been filed on SEDAR. Shareholders may also contact the President of the Corporation by phone at (416) 849-7773 or by e-mail at jarchibald@dsacorp.ca to request a copy of these documents.

APPROVAL

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

DATED at Toronto, Ontario as of the 15th day of May, 2017.

BY ORDER OF THE BOARD

(Signed) Brian Howlett
President and Chief Executive Officer

SCHEDULE A

RESOLUTION RE-APPROVING THE STOCK OPTION PLAN OF THE CORPORATION

Upon motion, duly proposed and seconded, it was resolved that:

1. the Stock Option Plan of the Corporation (the “**Current Plan**”) substantially as set out in the Management Information Circular of the Corporation dated May 20, 2016 prepared for the purpose of the annual and special meeting of shareholders held on June 30, 2016, be and is hereby approved, ratified, sanctioned and confirmed;
2. the total number of Common Shares issuable pursuant to the Current Plan shall be fixed at 10% of the issued shares outstanding at the time of any option grant, subject to adjustment as set forth in the Current Plan, and further subject to the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSX Venture Exchange;
3. the Corporation be authorized to grant stock options pursuant to and subject to the terms and conditions of the Current Plan;
4. any officer or director of the Corporation be, and each is hereby, authorized and directed, for and on behalf of the Corporation, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution; and
5. the Board of Directors of the Corporation be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution.

SCHEDULE B

CR CAPITAL CORP. (the "Corporation")

INCENTIVE STOCK OPTION PLAN (the "Plan")

SECTION 1 – PURPOSE OF THE PLAN

The purpose of the Plan is to assist the Corporation in attracting, retaining and motivating "**Directors**", "**Employees**" and "**Consultants**" of the Corporation (as those terms are defined in TSX Venture Exchange (the "**Exchange**") Policy 4.4, and which terms are hereinafter collectively referred to as "**Directors, Employees and Consultants**") and any of its subsidiaries and to closely align the personal interests of such Directors, Employees and Consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares in the capital of the Corporation.

SECTION 2 – IMPLEMENTATION

The Plan and the grant and exercise of any options under the Plan are subject to compliance with the applicable requirements of the Exchange and of any governmental authority or regulatory body to which the Corporation is subject.

SECTION 3 – ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation which shall, without limitation, subject to the approval of the Exchange, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Board of Directors may delegate any or all of its authority with respect to the administration of the Plan and any or all of the rights, powers and discretions with respect to the Plan granted to it hereunder to such committee of directors of the Corporation as the Board of Directors may designate and upon such delegation such committee of directors, as well as the Board of Directors, shall be entitled to exercise any or all of such authority, rights, powers and discretions with respect to the Plan. When used hereafter in the Plan, "**Board of Directors**" shall be deemed to include a committee of directors acting on behalf of the Board of Directors.

SECTION 4 – SHARES ISSUABLE UNDER THE PLAN

Subject to the requirements of the Exchange:

- (a) the aggregate number of shares ("**Optioned Shares**") that may be issuable pursuant to options granted under the Plan will not exceed 10% of the number of issued shares of the Corporation at the time of the granting of options under the Plan;
- (b) no more than 5% of the issued shares of the Corporation, calculated at the date the option is granted, may be granted to any one Optionee (as hereinafter defined) in any twelve (12) month period;

- (c) no more than 2% of the issued shares of the Corporation, calculated at the date the option is granted, may be granted to any one Consultant in any twelve (12) month period; and
- (d) no more than an aggregate of 2% of the issued shares of the Corporation, calculated at the date the option is granted, may be granted to an Employee conducting “**Investor Relations Activities**” (as that term is defined in Exchange Policy 1.1) in any twelve (12) month period.

SECTION 5 – ELIGIBILITY

5.1 General

Options may be granted under the Plan to Directors, Employees, and Consultants of the Corporation and any of its subsidiaries (collectively the “**Optionees**” and individually an “**Optionee**”). Subject to the provisions of the Plan, the total number of Optioned Shares to be made available under the Plan and to each Optionee, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options, shall be in the full and final discretion of the Board of Directors.

5.2 Options Granted to Employees, Consultants or Management Corporation Employees

The Corporation represents that, in the event it wishes to grant options under the Plan to Employees, Consultants or “**Management Corporation Employees**” (as that term is defined in Exchange Policy 4.4), it will only grant such options to Optionees who are bona fide Employees, Consultants or Management Corporation Employees, as the case may be.

SECTION 6 – TERMS AND CONDITIONS

All options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

6.1 Exercise Price

The exercise price to each Optionee for each Optioned Share shall be determined by the Board of Directors but shall not, in any event, be less than the “**Discounted Market Price**” of the Corporation’s common shares as traded on the Exchange (as that term is defined in Exchange policy 1.1), or such other price as may be agreed to by the Corporation and accepted by the Exchange; provided that the exercise price for each Optioned Share in respect of options granted within ninety (90) days of a “**Distribution**” by a “**Prospectus**” (as those terms are defined in Exchange Policy 1.1) shall not be less than the greater of the Discounted Market Price and the price per share paid by public investors for listed shares of the Corporation under the Distribution.

6.2 Reduction in the Exercise Price of Options Granted to Insiders

In the event the Corporation wishes to reduce the exercise price of any options held by “**Insiders**” (as that term is defined in Exchange Policy 1.1) of the Corporation at the time of the proposed reduction, the approval of the disinterested shareholders of the Corporation will be required prior to the exercise of any such options at the reduced exercise price.

6.3 Option Agreement

All options shall be granted under the Plan by means of an agreement (the “**Option Agreement**”) between the Corporation and each Optionee in such form as may be approved by the Board of Directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any one director or officer of the Corporation, or otherwise as determined by the Board of Directors.

6.4 Length of Grant

Subject to sections 6.08, 6.09, 6.10, 6.11 and 6.12 all options granted under the Plan shall expire not later than that date which is five (5) years from the date such options were granted.

6.5 Non-Assignability of Options

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by an Optionee other than by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the Optionee only by such Optionee.

6.6 Right to Postpone Exercise

Each Optionee, upon becoming entitled to exercise the option in respect of any Optioned Shares in accordance with the Option Agreement, shall thereafter be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement or the option rights granted thereunder in accordance with such agreement.

6.7 Exercise and Payment

Any option granted under the Plan may be exercised by an Optionee or, if applicable, the legal representatives of an Optionee, giving notice to the Corporation specifying the number of shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of shares specified in the notice. Upon any such exercise of an option by an Optionee the Corporation shall cause the transfer agent and registrar of shares of the Corporation to promptly deliver to such Optionee or the legal representatives of such Optionee, as the case may be, a share certificate in the name of such Optionee or the legal representatives of such Optionee, as the case may be, representing the number of shares specified in the notice.

6.8 Third Party Offer

If at any time when an option granted under the Plan remains unexercised with respect to any common shares, an offer to purchase all of the common shares of the Corporation is made by a third party, the Corporation may upon giving each Optionee written notice to that effect, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.

6.9 Alterations in Shares

In the event of a stock dividend, subdivision, redivision, consolidation, share reclassification (other than pursuant to the Plan), amalgamation, merger, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the Board of Directors may make such adjustment, if any of the number of

Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation for those in another Corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Optionees and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the Board of Directors under this section 6.9 shall be full and final.

6.10 Termination for Cause/Resignation

Subject to Section 6.11, if an Optionee ceases to be either a Director, Employee, Consultant, or Management Corporation Employee or ceases to provide Investor Relations Activities to the Corporation or of any of its subsidiaries as a result of having been dismissed for cause or if an Optionee voluntarily resigns such position with the Corporation, all unexercised option rights of that Optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Plan.

6.11 Termination Other Than For Cause

If an Optionee ceases to be either a Director, Employee, Consultant or Management Corporation Employee or ceases to provide Investor Relations Activities to the Corporation or any of its subsidiaries for any reason other than as a result of having been dismissed for cause or as a result of such Optionee's resignation as provided in Section 6.10 or as a result of the Optionee's death, such Optionee shall have the right for a period of thirty (30) days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of such cessation to exercise the Option under the Plan with respect to all Optioned Shares of such optionee to the extent they were exercisable on the date of such cessation. Upon the expiration of such thirty (30) day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.

6.12 Deceased Optionee

In the event of the death of any Optionee, the legal representatives of the Deceased Optionee shall have the right for a period of one (1) year (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's option with respect to all of the Optioned Shares of the deceased Optionee to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Optionee under the Plan.

6.13 Hold Period

Any Optioned Shares to be acquired upon exercise shall be subject to such hold period as may be required by the Exchange or pursuant to applicable securities laws.

SECTION 7 – AMENDMENT AND DISCONTINUANCE OF PLAN

Subject to the acceptance of the Exchange, the Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to an Optionee under the Plan without the consent of that Optionee.

SECTION 8 – NO FURTHER RIGHTS

Nothing contained in the Plan nor in any option granted hereunder shall give any Optionee or any other person any interest or title in or to any shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Optionees any right to continue as a Director, Employee or Consultant of the Corporation or of any of its subsidiaries.

SECTION 9 – COMPLIANCE WITH LAWS

The obligations of the Corporation to sell shares and deliver share certificates under the Plan are subject as the Corporation deems necessary or advisable with all applicable corporate and securities laws, rules, and regulations.

SCHEDULE C

CR CAPITAL CORP.

Charter

Audit Committee of the Board of Directors

March 11, 2005

Mandate

A. Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of CR Capital Corp. (the “**Corporation**”) established for the purpose of overseeing the accounting and financial reporting process of the Corporation and external audits of the consolidated financial statements of the Corporation. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval, the Corporation’s audited annual consolidated financial statements and other mandatory financial disclosure.

The Corporation’s external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Corporation. The Committee shall be directly responsible for overseeing the relationship of the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities. The external auditor shall report directly to the Committee.

The objectives of the Committee are to:

1. Be satisfied with the credibility and integrity of financial reports;
2. Support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of the Corporation;
3. Facilitate communication between the Board and the external auditor and to receive all reports of the external auditor directly from the external auditor;
4. Be satisfied with the external auditor’s independence and objectivity; and
5. Strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and the Corporation’s external auditor.

B. Composition

1. The Committee shall comprise at least three directors, the majority of whom shall be independent directors. Each independent Committee member shall satisfy the

independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

2. Members of the Committee shall be appointed by the Board. Each member shall serve until his/her successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.
3. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy independence (as described above B.I), financial literacy and experience requirements.
4. The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee shall have the authority to engage and compensate an outside adviser.

C. Meetings

1. The Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine. Any two members of the Committee may also request a meeting of the Committee.
2. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.
3. The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with sufficient time for study prior to the meeting.
4. Every question at a Committee meeting shall be decided by a majority of the votes cast.
5. Each of the Chief Executive Officer and Chief Financial Officer of the Corporation shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Chair of the Committee. The Chair of the Committee shall hold *in camera* sessions of the Committee, without management present, at every meeting.
6. A Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.
7. The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair.

8. The Committee shall meet periodically with the external auditor (in connection with the preparation of the annual financial statements and otherwise as the Committee may determine), part or all of each such meeting to be in the absence of management.

D. Responsibilities

The Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and external audits of the Corporation's consolidated financial statements. In that regard, the Committee shall:

1. Satisfy itself on behalf of the Board with respect to the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Corporation (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. Review with management and the external auditor the annual consolidated financial statements of the Corporation, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and earnings press releases (collectively, the "**Annual Financial Disclosure**") prior to their submission to the Board for approval. This process should include, but not be limited to:
 - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
 - (b) reviewing significant accruals, reserves or other estimates;
 - (c) reviewing accounting treatment of unusual or non-recurring transactions;
 - (d) reviewing disclosure requirements for commitments and contingencies;
 - (e) reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
 - (f) reviewing unresolved differences between the Corporation and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure;

3. Review with management all interim consolidated financial statements of the Corporation and related financial reporting including Management's Discussion and Analysis and earnings press releases (collectively, the "**Quarterly Financial Disclosure**") and approve all Quarterly Financial Disclosure;
4. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's

financial statements, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and shall periodically assess the adequacy of those procedures;

5. Review with management and recommend to the Board for approval, any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus or other disclosure document of the Corporation;
6. Review with management and recommend to the Board for approval, the Corporation's Annual Information Form (if any);
7. With respect to the external auditor:
 - (a) receive all reports of the external auditor directly from the external auditor;
 - (b) discuss with external auditor:
 - (i) critical accounting policies;
 - (ii) alternative treatments of financial information within GAAP discussed with management (including the ramifications thereof and the treatment preferred by the external auditor); and
 - (iii) other material, written communication between management and the external auditor;
 - (c) consider and make a recommendation to the Board as to the appointment or reappointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
 - (d) review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees and make a recommendation to the Board as to the compensation of the external auditor;
 - (e) when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
 - (f) oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
 - (g) review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence, including, without limitation:
 - (i) requesting, receiving and reviewing, on a periodic basis, written or oral information from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Corporation;

- (ii) discussing with the external auditor any disclosed relationships or services that the external auditor believes may affect the objectivity and the independence of the external auditor; and
 - (iii) recommending that the Board take appropriate action in response to the external auditor's information to satisfy itself of the external auditor's independence;
 - (h) as may be required by applicable securities laws, rules and guidelines, either:
 - (i) pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of *de minimus* non-audit services, approve such non-audit services prior to the completion of the audit; or
 - (ii) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services;
 - (i) review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
8. (a) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters (see attached Whistleblower Policy); and
- (b) review with external auditor its assessment of the internal controls of the Corporation, its written reports containing recommendations for improvement, and the Corporation's response and follow-up to any identified weaknesses;
9. with respect to risk management, be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting (and review senior management's assessment thereof) to ensure compliance with any applicable legal and regulatory requirements;
10. review annually with management and the external auditor and report to the Board on insurable risks and insurance coverage; and
11. engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.