

# **CANUC RESOURCES CORPORATION**

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## **MANAGEMENT INFORMATION CIRCULAR**

for the

### **ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

to be held June 29, 2017

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**May 31, 2017**

**CANUC RESOURCES CORPORATION**

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS  
("Notice of Meeting")**

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the "**Meeting**") of shareholders of Canuc Resources Corporation (the "**Corporation**") will be held at the offices of the Corporation, 25 Adelaide Street East, Suite 1612, Toronto, Ontario Canada M5C 1Y2 on June 29, 2017, at 10:00 AM (Toronto time) for the following purposes:

1. to receive annual financial statements of the Corporation for the fiscal year ended December 31, 2016 and the report of the auditors thereon;
2. to elect directors;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. to pass, with or without variation, an ordinary resolution ratifying its rolling 10% stock option plan, as more particularly described in the accompanying Management Information Circular; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The directors of the Corporation have fixed the close of business on May 29, 2017 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting.

**DATED** at Toronto, Ontario, as of Wednesday, May 31, 2017.

**BY ORDER OF THE BOARD,**

*"Hubert Mockler"*

Hubert Mockler, Executive Chairman, President and  
Director

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**CANUC RESOURCES CORPORATION  
MANAGEMENT INFORMATION CIRCULAR**

**As of May 31, 2017**

**This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting of shareholders of the Corporation to be held on Thursday, June 29, 2017 at 10:00 a.m. (Toronto time) at the offices of the Corporation, 25 Adelaide Street East, Suite 1612, Toronto, Ontario Canada M5C 1Y2, and at all adjournments thereof for the purposes set out in the accompanying notice of meeting.**

Unless otherwise stated, the information in this Circular is given as of May 31, 2017.

Terms within this Circular commencing with capitalized letters are terms which are defined within the text of this Circular. In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

**Solicitation of Proxies**

It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may pay brokers or other persons holding common shares (the “**Common Shares**”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of Shares and obtaining proxies therefor. **The solicitation of proxies by this Circular is being made by or on behalf of the management of the Corporation.** The cost of any such solicitation will be borne by the Corporation.

**Appointment and Revocation of Proxies**

**The persons named in the enclosed form of proxy are directors and/or senior officers of the Corporation. A shareholder has the right to appoint some other person, who need not be a shareholder of the Corporation, to attend and act for him or her at the Meeting and may do so either by inserting such person’s name in the blank space provided in the instrument of proxy and striking out the names of the two persons specified or, by completing another proper form of proxy and, in either case, delivering the completed proxy to TSX Trust Company at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting.**

A proxy given by a shareholder may be revoked as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the registered and head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

## **Voting Thresholds Required for Approval**

**In order to approve a motion proposed at the Meeting, other than the election of directors, a majority of not less than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required.**

## **Voting of Proxies**

The persons named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted FOR in the election of directors, the appointment and remuneration of auditors and the approval of the stock option plan. The enclosed form of proxy confers discretionary authority upon the persons named therein to exercise their judgment and to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date hereof, the management of the Corporation knows of no such amendments, variations or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. The execution or exercise of a proxy does not constitute a written objection for the purposes of subsection 185(6) of the *Business Corporations Act* (Ontario).

## **Voting in Person at the Meeting**

A registered shareholder, or a non-objecting beneficial owner (“**NOBO**”) whose name has been provided to the Corporation’s registrar and transfer agent, TSX Trust Company, will appear on a list of shareholders prepared by the registrar and transfer agent for purposes of the Meeting. To vote in person at the Meeting each registered shareholder or NOBO will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders (other than NOBOs) must appoint themselves as a proxyholder to vote in person at the Meeting. Also see “**Non-Registered Holders**” below.

## **Voting by Proxy at the Meeting**

If a registered shareholder or NOBO cannot attend the Meeting but wishes to vote on the resolutions, the registered shareholder or NOBO should sign, date and deliver the enclosed form of proxy to the Corporation’s registrar and transfer agent, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 so it is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. **The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A shareholder giving a proxy can strike out the names of the nominees printed in the accompanying form of proxy and insert the name of another nominee in the space provided, or the shareholder may complete another form of proxy. A proxy nominee need not be a shareholder of the Corporation.** A shareholder giving a proxy has the right to attend the Meeting, or appoint someone else to attend as his or her proxy at the Meeting and the proxy submitted earlier can be revoked in the manner described under “Appointment and Revocation of Proxies”.

## **Non-Registered Holders**

In many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or,
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited or “CDS”). Non-Registered Holders do not appear on the list of shareholders of the Corporation maintained by the transfer agent.

In accordance with Canadian securities law, the Corporation has distributed copies of the Proxy Materials to CDS and intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, intermediaries will use a service company to forward the meeting materials to Non-Registered Holders. Non-Registered Holders, other than NOBOs, will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

A. *Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the meeting materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Holder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder. Or,

B. *Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the meeting materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Corporation’s registrar and transfer agent, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided.

### **Non-Objecting Beneficial Owners**

These Proxy Materials are being provided to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation has an authorized capital consisting of an unlimited number of Common Shares of which 41,991,815 are issued and outstanding.

Holders of Common Shares of record at the close of business on May 29, 2017 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share.

To the knowledge of the directors and senior officers of the Corporation, there is no person or corporation which beneficially owns directly, or indirectly, or exercises control or direction over equity shares of the Corporation carrying more than 10% of the voting rights attached to all equity shares of the Corporation.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Election of Directors

The Articles of the Corporation provide that the board of directors of the Corporation (the “**Board**”) shall consist of a minimum of three (3) and a maximum of eleven (11) directors. The Board currently is comprised of five (5) directors and the number of directors to be elected at the Meeting is five (5). It is proposed that Messrs. Hubert J. Mockler, Christopher J. Berlet, Marc-André Lavoie, Paul Davis and Bruce Reid be nominated at the Meeting to act as directors of the Corporation until the next annual meeting of the shareholders. The table below sets out for each nominee his principal occupation, the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominee as at May 29, 2017, and the date they were first elected or appointed as a director of the Corporation.

### **MANAGEMENT OF THE CORPORATION RECOMMENDS THAT HOLDERS OF COMMON SHARES VOTE IN FAVOUR OF THE ELECTION OF THE DIRECTOR NOMINEES AS DIRECTORS OF THE CORPORATION, AND UNLESS OTHERWISE CLEARLY SPECIFIED, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE IN FAVOUR OF THE ELECTION OF THE DIRECTOR NOMINEES**

The Board has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes “Withheld” than votes “For” will submit his or her resignation promptly following the Meeting. The Compensation and Corporate Governance Committee will consider the offer of resignation and, except in extraordinary circumstances, will be expected to recommend that the Board accept the resignation, if applicable. The Board may: (1) leave a vacancy on the Board until the Corporation’s next annual meeting (2) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new Board nominee(s) to fill the vacant position(s).

Unless specifically instructed to withhold from voting, the persons named in the enclosed form of proxy intend to vote “For” the election of the foregoing nominees. Management does not contemplate that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of shareholders or until his office is earlier vacated in accordance with the by-laws of the Corporation.

To the knowledge of the Corporation, none of the directors or any proposed management nominee for election as a director of the Corporation is, or during the ten years preceding the date of this Circular has been, a director or officer of any company that, while the person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or proposed management nominee ceased to be a director or officer of the relevant company, in the relevant company being the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of the director or proposed management nominee ceasing to be a director or officer of the relevant company, 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.

During the ten years preceding the date of this Circular, no director or proposed management nominee for election as a director of the Corporation has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

<b>Name and Residence</b>	<b>Present Position(s) with the Corporation</b>	<b>Present Principal Occupation</b>	<b>Shares Owned<sup>(1)</sup></b>	<b>Director Since</b>
Hubert J. Mockler <sup>(4)</sup> Ontario, Canada	Executive Chairman, President and Director	Geologist	237,906	2007
Christopher J. Berlet <sup>(2)</sup> Ontario, Canada	CEO and Director	President and CEO, Stakeholder Gold Corp.	3,735,000	2008
Marc-André Lavoie <sup>(2)(3)(4)</sup> Montreal, Quebec	Director	Managing Director of Gestion Macher Inc.	-	2015
Paul Davis <sup>(2)(3)</sup> Ontario, Canada	Director	Geologist	-	2017
Bruce Reid <sup>(3)(4)</sup> Ontario, Canada	Director	Businessman	500,000	2017

Notes:

- (1) The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective directors and officers individually.

- (2) Member of the Audit Committee.
- (3) Independent director.
- (4) Member of Compensation Committee.

Biographical information concerning the proposed directors is set forth below:

***Hubert J. Mockler, Director, Executive Chairman, President and Director***

Mr. Mockler was appointed Executive Chairman, President and Director of the Corporation in April 2017. Previously he was Chairman and CEO from October 2014 to April 2017. He was the former President and CEO of the Corporation from May 2007 to January 2011 and again from 1993 to 2003. Mr. Mockler is also the President and a Director of Greenshield Explorations Ltd., positions he has held since 2005. Mr. Mockler was President and a Director of Oromonte Resources Inc. from July 2003 to January 2006. Mr. Mockler's business career has been dedicated to the mining and oil and gas industries. He has been involved in the management and analysis of mineral, oil and gas projects on a worldwide basis including Canada, Ecuador, the United Kingdom, Australia, Peru, Mexico, Costa Rica and, in the USA, the states of Texas, Oklahoma, California and Colorado. In Canada, Mr. Mockler has managed exploration programs for a number of mining companies, large and small, in New Brunswick, Newfoundland, Labrador, Quebec and Ontario. Earlier in his career he was a Mining Analyst at the investment firm of Greenshields Inc. and also managed the Investment Research department at Mead & Co., in each case based in Montreal, Quebec. He served as the Special Assistant to the management of Power Corporation responsible for mergers and acquisitions, during which period he was involved in the acquisition of 22 public companies. Again in Canada, Mr. Mockler served as President of Merrill Island Mining Co., which operated a 600 ton/day copper-zinc mine in Chibougamau, Quebec and as President of Bulora Corporation, which purchased and operated the Madsen Red Lake gold mine in Red Lake, Ontario. Mr. Mockler holds a degree in geology from the University of New Brunswick. Mr. Mockler was the driving force behind the Corporation's successful efforts in having the cease trade orders imposed in June 2000 by the securities commissions of Ontario, Alberta and Quebec revoked in April 2007.

***Christopher J. Berlet, CEO and Director***

Mr. Berlet was appointed CEO of the Corporation in April 2017. He is also presently the President, CEO and Director of Stakeholder Gold Corp. Previously Mr. Berlet was President, CEO and Director of NWM Mining Corporation. Mr. Berlet is a graduate of Mining Engineering from Queen's University (1990) and holds a Diploma in Accounting & Finance from the London School of Economics and Political Science (1991). Mr. Berlet is also a CFA Charterholder and has experience in both the finance and mineral industries.

***Marc-André Lavoie, Director***

Marc-André Lavoie has extensive experience in international financial markets and natural resources. He is currently Managing Director of Gestion Macher Inc., a private investment company. Previously he acted as CEO and director of two publicly traded natural resource companies. Prior to that, Marc-André Lavoie worked for approximately 15 years as a capital markets banker, primarily with BNP Paribas in London and New York. He holds a Bachelor from St. Francis Xavier University in Nova Scotia, a Masters from the London School of Economics and a Masters from Cambridge University in the U.K.

***Paul Davis, Director***

Mr. Davis has more than 25 years of exploration and mine management experience in base metals, precious metals and industrial minerals. Most recently, Mr. Davis was VP Exploration at First Nickel Inc.

and over his career he has discovered, built and operated mines, including raising more than \$150 million in equity and debt financing. Mr. Davis has a Bachelor's degree in Geology from University of Western Ontario and a Masters in Economic Geology from the University of Alabama.

***Bruce Reid, Director***

Mr. Reid is the President, CEO and Director of SGX Resources Inc., Chairman of Satori Resources Inc. and is also currently a director on several other public and private mining companies. Most recently, Mr. Reid was the President and CEO of Carlisle Goldfields from January 2010 until January 2016, when that company was purchased by Alamos Gold Inc. Mr. Reid was also the Founder, President and CEO of U.S. Silver Corp. from June 2006 to November 2009. Prior to this, Mr. Reid was intimately involved in the start-up and successful sale of numerous mining companies such as Western Goldfields and Patricia Mining. Mr. Reid also has extensive experience in corporate finance and mining investment research, with a twenty-year career in the investment business with such firms as Nesbitt Thomson, Loewen Ondaatje McCutcheon and Yorkton Securities. Mr. Reid combined all this with direct practise as an exploration geologist working on numerous projects in the Canadian North during the 1970s and early 1980s. Mr. Reid holds a Bachelor's in Geology from the University of Toronto (1979) and a finance degree from the University of Windsor (1982).

The Board has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "Withheld" than votes "For" will submit his or her resignation promptly following the Meeting. The Compensation, Nominating and Corporate Governance Committee will consider the offer of resignation and, except in extraordinary circumstances, will be expected to recommend that the Board accept the resignation, if applicable. The Board may: (1) leave a vacancy on the Board until the Corporation's next annual meeting (2) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new Board nominee(s) to fill the vacant position(s).

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED SEPARATELY FOR THE ELECTION OF EACH OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED SEPARATELY IN FAVOUR OF EACH OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

**Appointment and Remuneration of Auditors**

The shareholders of the Corporation will be asked at the Meeting to pass a resolution appointing MNP LLP, Chartered Professional Accountants as the auditors of the Corporation and authorizing the directors of the Corporation to fix their remuneration. MNP LLP was first appointed as the Corporation's auditor on February 15, 2017.

**UNLESS SPECIFICALLY INSTRUCTED TO WITHHOLD FROM VOTING, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE APPOINTMENT OF**

**MNP LLP AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.**

**Annual Re-Approval of Stock Option Plan**

The Corporation currently has a stock option plan (the “**Option Plan**”) which was adopted by the Board as of June 28, 2007 and was last approved by the shareholders on March 7, 2017. The Option Plan is subject to approvals of the shareholders and applicable stock exchanges as may be required by the terms of the Option Plan and applicable stock exchanges. The Option Plan is a rolling stock option plan. Pursuant to Policy 4.4 of the TSX Venture Exchange, all TSX-V listed companies are required to receive yearly approval for a rolling stock option plan. The total number of Common Shares reserved and available for issuance pursuant to the Option Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time. At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution re-approving the Option Plan. The purpose of the Option Plan is to allow the Corporation to grant options to directors, officers, consultants and employees as additional compensation and as an opportunity to participate in the profitability of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Corporation. A copy of the Stock Option Plan is attached hereto as Schedule “C”.

As of May 31, 2017, the Corporation had 3,750,000 options remain outstanding and unexercised, representing approximately 9.2% of the Corporation’s currently issued and outstanding Common Shares, and 372,682 options are unallocated and available for future grants, representing approximately 0.8% of the Corporation’s currently issued and outstanding Common Shares.

The pertinent terms and conditions of the Option Plan are as follows:

- (a) The Option Plan will be administered by the Board or a committee established by the board for that purpose;
- (b) The maximum number of shares that may be reserved for issuance under the Option Plan will be a rolling number not to exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of the stock option grant;
- (c) The exercise price of options granted under the Option Plan will be set by the Board on the basis of the “market price” of the Common Shares on the trading day prior to the date of the grant;
- (d) The full purchase price of Common Shares purchased under the Option Plan shall be paid in cash upon the exercise thereof;
- (e) Options may be granted under the Option Plan exercisable over a period not exceeding five years;
- (f) Options covering not more than 5% of the issued Common Shares of the Corporation may be granted to any one individual in any 12 month period;
- (g) No more than 2% of the issued and outstanding Common Shares may be granted to any one consultant in any 12 month period and no more than an aggregate of 2% of the issued and outstanding Common Shares may be granted to an employee conducting investor relations activities in any 12 month period;
- (h) Options may only be exercised while the optionee is a director, officer, employee or consultant to the Corporation, or within a period of 90 days after ceasing to be so;

- (i) Notwithstanding item (h), an optionee's heirs or administrators shall have one year from the death of the optionee in which to exercise any portion of options outstanding at the time of death of the optionee;
- (j) Notwithstanding item (h), options granted to an optionee who is engaged in investor relations activities expire 30 days after the optionee ceases to be employed to provide investor relations activities;
- (k) The options (the “**Options**”) shall not be assignable or transferable by an optionee;
- (l) The obligation of the Corporation to issue and deliver Common Shares under the Option Plan will be subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation; and
- (m) The Board or the committee may from time to time, subject to required regulatory approval, amend or terminate the Option Plan.

### **Shareholder Approval**

**THE STOCK OPTION PLAN OF THE CORPORATION IS ATTACHED HERETO AS SCHEDULE “C” AND BELOW IS THE TEXT OF THE RESOLUTION TO RATIFY AND REAPPROVE THE STOCK OPTION PLAN. THE RESOLUTION TO RE-APPROVE THE OPTION PLAN MUST BE APPROVED BY AN ORDINARY RESOLUTION, WHICH MUST BE PASSED BY AT LEAST A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS OF COMMON SHARES REPRESENTED IN PERSON OR BY PROXY AT THE MEETING.**

**UNLESS OTHERWISE CLEARLY SPECIFIED, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE IN FAVOUR OF THE RESOLUTION RATIFYING AND RE-APPROVING THE OPTION PLAN.**

### **Recommendation of the Board**

The Board recommends that shareholders vote “For” the following resolution:

“RESOLVED, as an ordinary resolution, that:

- 1) the Option Plan, as described in and attached to the Corporation’s Management Information Circular dated May 31, 2017 and available for review at the Corporation’s annual and special meeting to be held on June 29, 2017, be and the same is hereby ratified and approved;
- 2) the number of common shares of the Corporation reserved for issuance under the Option Plan shall be no more than 10% of the Corporation’s issued and outstanding common shares, from time to time;
- 3) the Board of the Corporation be authorized to make any changes to the Option Plan if required by any stock exchange or market upon which the common shares of the Corporation may be listed from time to time; and
- 4) any director or officer of the Corporation is hereby authorized and directed to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.”

## STATEMENT OF EXECUTIVE COMPENSATION

In this Circular, a Named Executive Officer (“NEO”) means: (a) the Corporation’s CEO; (b) the Corporation’s Chief Financial Officer; (c) the Corporation’s Chief Operating Officer; and (d) the Corporation’s three other most highly compensated executive officers at the end of the financial year ended December 31, 2016 whose total compensation, individually, was greater than \$150,000; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of the financial year ended December 31, 2016.

For the financial year ended December 31, 2016, the Corporation had two named NEOs namely, Hubert Mockler (previously Chairman and CEO) and Robert Lelovic (previously Chief Financial Officer, replaced by Julio DiGirolamo). Hubert Mockler is now Executive Charman, and President.

## COMPENSATION DISCUSSION AND ANALYSIS

### Role of the Compensation Committee

In November 2009, the Corporation formed a Compensation Committee which is responsible for, among other things, the oversight of the Corporation’s compensation plans. Specifically, the Compensation Committee is responsible for reviewing the Corporation’s compensation philosophy and developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance. It is important to the Corporation to ensure it is capable of attracting, motivating and retaining individuals who will contribute to the long-term success of the Corporation. The Compensation Committee has not yet established a written charter or mandate, but intends to do so in the near future.

The Compensation Committee will be responsible for negotiating the total compensation program for the NEOs and any other executive officers, reviewing and advising on stock option guidelines, including making recommendations on specific option grants, and reviewing and communicating to the Board the compensation policy and principles that will be applied to other employees of the Corporation.

In reviewing executive compensation, the Compensation Committee will rely on the advice of the CEO regarding other officers of the Corporation (including the NEOs) and will allow him to participate in the Compensation Committee’s deliberations on those officers. The CEO will not, however, participate in any manner in the deliberations of the Compensation Committee or the Board on his compensation. The Compensation Committee may not delegate any of its responsibilities to another entity or to an individual without the approval of the Board.

### Composition of the Compensation Committee

Two of the members of the Compensation Committee are considered independent under National Instrument 58-101 *Disclosure of Corporate Governance Practices* (as defined under “Corporate Governance Matters – Approach to Corporate Governance”). For further details concerning the Compensation Committee, see “Corporate Governance Matters”.

### Objectives of NEO Compensation Program and Compensation Philosophy

The objectives of the Corporation’s NEO compensation program are to: (a) attract, motivate and retain high-caliber individuals; (b) align the interests of the NEOs with those of the Corporation’s shareholders;

(c) establish an objective connection between NEO compensation and the Corporation's financial and business performance; and (d) incent the NEOs to continuously improve operations and execute on corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value, achieving corporate performance that meets pre-defined objective criteria and improving operations and executing on corporate strategy.

The Corporation's policy with respect to the compensation of NEOs is to establish annual goals with respect to corporate development and the individual areas of responsibility of each NEO and then to review total compensation with respect to the achievement of these goals. In addition, the Corporation recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive within the market segment. Specifically, the Compensation Committee's review and evaluation will include measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, partnerships and other business development, in particular having regard to budgetary constraints and other challenges facing the Corporation; (b) the Corporation's financial condition; and (c) the Corporation's share price and market capitalization.

The NEO compensation program may consists of two principal components: (a) base salary; and (b) long-term incentives. Each component has a different function, as described in greater detail below, but all elements work together to reward the NEOs appropriately for personal and corporate performance.

There have been no significant changes to the Corporation's compensation policies or practices since the end of the Corporation's most recently completed financial year.

Base salaries are considered an essential element in attracting and retaining the Corporation's senior executives (including the NEOs) and rewarding them for corporate and individual performance. Base salaries are established taking into account individual performance and experience, level of responsibility and competitive pay practices. Base salaries are reviewed annually and adjusted, if appropriate, to reflect performance and market changes. Any increase to the base salary of the CEO must be approved by the Board and will be based on the recommendation of the Compensation Committee. The CEO is responsible for determining and approving any increase in salary for the other NEOs.

### **Long-Term Incentives**

The Corporation's long-term incentive compensation for senior executives (including the NEOs) may be provided through stock option grants under the option plan of the Corporation. Participation in the Option Plan is considered to be a critical component of compensation that incents the NEOs to create long-term shareholder value, as the value of the Options is directly dependent on the market valuation of the Corporation. The Option Plan also serves to assist the Corporation in retaining senior executives as the Options granted under the Option Plan typically vest over time.

Each NEO is eligible for an annual option grant that will be approved from time to time by the Board and based on the recommendation of the Compensation Committee. The number of stock options granted is based on the NEO's level of responsibility and personal performance and also competitive and market conditions. Special option grants may be considered, if warranted, for performance or other reasons. Each NEO may be granted options upon the commencement of employment with the Corporation. When determining whether and how many new option grants will be made, the Board takes into account the amount and terms of any outstanding options. The Corporation does not require its NEOs to own a specific number of Common Shares of the Corporation.

The Option Plan requires that the option exercise price may not be less than the market price of the Common Shares of the Corporation at the time the option is granted, subject to any discounts permitted by applicable securities laws and stock exchange rules. Options vest at the discretion of the Board and expire three years after the date of the grant. The award of any options under the Option Plan to the NEOs will be subject to the approval of the Board, based on the recommendation of the Compensation Committee.

For further details concerning the Option Plan, see “Securities Authorized for Issuance Under Equity Compensation Plans”.

### **Risks associated with Compensation Policies and Practices**

The Board and the Compensation Committee have considered the implications of the risks associated with the Corporations’ compensation policies or practices.

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 has the skills and experience that enable the Compensation Committee to make decisions on the suitability of the Corporation’s compensation policies and practices.

The Compensation Committee determines the NEO’s compensation based upon yearly corporate accomplishments, market and sector comparisons, corporate budget and individual requirements for retaining the NEOs. Compensation may consist of salary and options. Options to acquire Common Shares are granted at the discretion of the Board and often in conjunction with grants of options to directors, executives, employees and consultants to the Corporation.

### **Option-Based Awards**

See “Compensation Discussion and Analysis” and “Option Plan” elsewhere in this document for a description of the Corporation’s Option Plan and the process the Corporation uses to grant option-based awards.

## SUMMARY COMPENSATION TABLE

The following table (presented in accordance with National Instrument 51-102F6 – *Statement of Executive Compensation*) sets forth all annual and long term compensation for services in all capacities to the Corporation for the financial years ended December 31, 2016, December 31, 2015 and December 31, 2014 in respect of each NEO.

Name and Principal Position	Year	Salary \$	Share-based Awards \$	Option-based Awards <sup>(5)</sup> \$	Non-equity Incentive Plan Compensation		All Other Compensation \$	Total Compensation \$
					Annual Incentive Plans	Long-term Incentive Plans		
Hubert Mockler <sup>(1)</sup> <i>Chairman &amp; CEO</i>	2016	12,000	-	24,133	-	-	-	36,133
	2015	11,000	-	10,353	-	-	-	21,353
	2014	18,000	-	-	-	-	-	18,000
Gary Lohman <sup>(2)</sup> <i>President &amp; CEO</i>	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
	2014	45,000	-	-	-	-	-	45,000
Julio DiGirolamo <sup>(3)</sup> <i>CFO</i>	2016	20,000	-	-	-	-	-	20,000
	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
Robert Lelovic <sup>(4)</sup> <i>CFO</i>	2016	117,410	-	6,033	-	-	-	123,443
	2015	42,000	-	8,282	-	-	-	50,282
	2014	-	-	-	-	-	-	-
James Macintosh <sup>(5)</sup> <i>CFO</i>	2016	-	-	-	-	-	-	-
	2015	24,000	-	-	-	-	-	-
	2014	48,000	-	-	-	-	-	48,000

- (1) Mr. Mockler became Executive Chairman and President in April 2017. In February 2015, due to market conditions Mr. Mockler has stopped accruing salary.
- (2) Mr. Lohman acted as a consultant to the Corporation until appointed as Chief Operating Officer effective November 2009. He was appointed President and Chief Executive Officer effective January 2011 and resigned September 2014.
- (3) Mr. DiGirolamo is a consultant to the Corporation.

- (4) Mr. Lelovic was a consultant to the Corporation and was appointed Chief Financial Officer effective May, 2015. In December of 2016 he was replaced by Mr. DiGirolamo CPA CA.
- (5) Mr. Macintosh was appointed as Chief Financial Officer effective June 2011 and no longer holds a position with the Corporation.
- (6) Grant date fair value calculations are based on the Black-Scholes Option Pricing Model. Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Corporation's share and option-based awards.

The Corporation did not pay a bonus to or grant compensation to any NEO under any pension plan during the financial years ended December 31, 2016 and 2015.

### Option-based Awards – Stock Option Plan

The following table sets forth information concerning all awards outstanding under option-based incentive plans of the Corporation at the end of the most recently completed financial year to each NEO.

Name and Principal Position	Option-based Awards				Share-based Awards	
	No. of Securities Underlying Unexercised Options	Option Exercise Price \$	Option Expiration Date	Value of Unexercised In-the money Options <sup>(1)</sup> \$	No. of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested \$
Hubert Mockler, <i>Executive Chairman and President</i>	700,000	0.50	Mar. 3, 2020	-	-	-
Christopher Berlet <i>CEO</i>	100,000 80,000 150,000	0.10 0.06 0.50	Sep.18, 2017 Oct. 5, 2018 Mar. 3, 2020	- - -	40,000- 35,200	- -
Julio DiGirolamo, <i>CFO</i>	200,000	0.50	Mar. 3, 2020	-	-	-

- (1) The Corporation's shares trade on the TSX-V. This was calculated using the [0.50 closing] price of the Common Shares on the TSX-V on May 29, 2017 and subtracting the exercise price of in-the-money stock options. Actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### Option-based Awards – Value Vested or Earned During the Year

Option-based awards issued or earned to and/or for NEOs during the most recently completed financial year are included in the chart above.

### **Pension Plan Benefits**

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

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

There are no agreements which contain change in control benefits or provisions for the most recently completed financial year.

### **Director Compensation**

There was no cash compensation for independent directors for the financial years ending December 31, 2016 and 2015.

### **MANAGEMENT CONTRACTS**

There were no management contracts for the financial year ending December 31, 2016.

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

The following table sets out the aggregate number of commons shares that were authorized for issuance under the Corporation's Option Plan as of December 31, 2016.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</b>
Equity Compensation plans approved by shareholders	780,000	\$0.13	228,675
Equity Compensation plans not approved by shareholders	-	-	-
Total	780,000	\$0.13	228,675

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

No director or officer of the Corporation and no associate of any director or officer of the Corporation was indebted to the Corporation at any time during the financial years ended December 31, 2016 and 2015.

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

**Except in so far as they may be shareholders or as otherwise disclosed in the Circular, no person who has been a director or an officer of the Corporation at any time since the beginning of its last**

**completed financial year, any proposed nominee for election as a director of the Corporation or any associate or affiliate of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.**

## **CORPORATE GOVERNANCE PRACTICES**

The Corporation's "Statement of Corporate Governance Practices" is attached to this Circular as Schedule "A". It has been approved by the by the Board. Additional information on the directors and the audit committee is set forth below.

### **AUDIT COMMITTEE**

Pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("NI 52-110"), the Corporation is required to disclose certain information concerning its Audit Committee including the Audit Committee's charter, the composition of the Audit Committee and its relationship with its independent auditors. Such information is set forth below.

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

The Corporation is required to have an audit committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee's charter is reproduced as Schedule "B".

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

The Audit Committee is currently comprised Christopher J. Berlet (Chair), Marc-André Lavoie and Paul Davis. Mr. Berlet is "financially literate" and Messrs. Lavoie and Davis are "independent" within the meaning of NI 52-110. In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is as follows: Mr. Berlet is a mining engineer who holds a CFA and is currently an officer and/or director of several public companies. Mr. Lavoie has acted as CEO and Director of two publicly traded natural resource companies and had worked for approximately 15 years as a capital markets banker, primarily with BNP Paribas in London and New York. Mr. Davis was VP Exploration at First Nickel Inc. and over his career he has discovered, built and operated mines, including raising more than \$150 million in equity and debt financing.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "De Minimus Non-Audit Services" or any exemption provided by Part 8 of NI 52-110.

#### **Pre-Approval Policies and Procedures**

The Corporation has not adopted any specific policies in relation to the engagement of non-audit services.

## EXTERNAL AUDITOR SERVICE FEES

	Financial Years Ended December 31,	
	2016	2015
<b>Audit Fees</b> <sup>(1)</sup>	\$20,600	\$28,125
<b>Audit-Related Fees</b> <sup>(2)</sup>	\$27,540	-
<b>Tax Fees</b> <sup>(3)</sup>	-	\$1,000
<b>All Other Fees</b> <sup>(4)</sup>	-	\$844
<b>Total Fees</b>	\$48,140	\$29,969

The notes for this table are found on the following page.

Notes:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and are not included under "Audit Fees".
- (3) The aggregate fees billed for services related to tax compliance, tax advice and tax planning. The services performed for the fees paid under this category may briefly be described as tax return preparation fees.
- (4) The aggregate fees billed for services other than those reported above. The fees under this category include Canadian Public Accountability Board fees.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except in so far as they may be shareholders or as otherwise disclosed in the Circular, no person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year, any proposed nominee for election as a director of the Corporation or any associate or affiliate of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Copies of these documents will be provided, upon request, free of charge to shareholders of the Corporation.

### BY ORDER OF THE BOARD

*"Hubert Mockler"*

Hubert Mockler, Executive Chairman, President  
and Director

Toronto, Ontario

May 31, 2017

## SCHEDULE “A” STATEMENT OF CORPORATE GOVERNANCE PRACTICES

A summary of the Corporation’s governance initiatives in relation to the new guidelines for effective corporate governance pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”) is set out below.

### Information about the Corporation’s Directors

#### Independence of Directors

Following the Annual General and Special Meeting of the Corporation held April 6, 2017, the Board confirmed that three out of five or 60% of the directors are independent for the purpose of NI 58-101. The independent directors are Messrs. Lavoie, Davis, and Reid. Messrs. Hubert J. Mockler, Executive Chairman and President of the Corporation, and Christopher J. Berlet, CEO of the Corporation, are not considered independent as due to their executive positions with the Corporation.

#### Other Directorships

Director	Directorships
Hubert J. Mockler	Greenshield Explorations Ltd.
Christopher J. Berlet	Stakeholder Gold Corp.
Paul Davis	Rogue Resources Inc.
Marc-André Lavoie	Blackrock Metals Inc.
Bruce Reid	Debut Diamonds Inc., SGX Resources Inc., Satori Resources Inc., GoldTrain Resources Inc., Telferscot Resources Inc., Liberty Silver Corp.

#### Orientation and Continuing Education

The Board is responsible for the orientation and education of new recruits to the Board and all new directors with a copy of the directors and officers insurance policies maintained by the Corporation, a copy of the Corporation’s policies and the Corporation’s most recent significant public disclosure documents. Prior to joining the Board, each new director will meet with the Chairman, the CEO and the Chief Financial Officer of the Corporation. Each such officer shall be responsible for outlining the business and prospects of the Corporation, both positive and negative, with a view to ensuring that the new director is properly informed to commence his or her duties as a director. Each new director will also be given the opportunity to meet with the auditors and counsel to the Corporation. As part of the annual board assessment process the board determines whether any additional education and training is required for board members.

#### Code of Business Ethics

The Board has not yet adopted a formal written Code of Business Conduct and Ethics. *Nomination of Directors*

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the members of the Board, including both formal and informal discussions among Board’ members and the Chairman and CEO. The current size of

the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed with one or more members of the Board prior to the proposed director's nomination.

### **Assessments**

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

### **CEO and Director Compensation**

The Board will conduct an annual review of the performance of the Corporation and the CEO which is used by the Board in its deliberations concerning the CEO's annual compensation. The Board also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

**SCHEDULE “B” AUDIT COMMITTEE CHARTER CANUC RESOURCES CORPORATION  
(THE “CORPORATION”)**

(Implemented pursuant to National Instrument 52-110 *Audit Committees*)

**PART 1 Purpose:**

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors (the “Board”) to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

**1.1 Definitions**

“accounting principles” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principle, Auditing Standards and Reporting Currency*;

“Affiliate” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“audit services” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“Charter” means this audit committee charter;

“Committee” means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“Control Person” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.

“financially literate” has the meaning set out in the Instrument;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home; “Instrument” means National Instrument 52-110 *Audit Committees*;

“MD&A” has the meaning ascribed to it in National instrument 51-102;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*; and  
“non-audit services” means services other than audit services.

## **PART 2**

### **2.1 Audit Committee**

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

### **2.2 Relationship with External Auditors**

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing the audit plan with management and the external auditor;
  - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;

- (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
  - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
  4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
  5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the
  6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
  7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
  8. The Committee shall, as applicable, establish procedures for:
    - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
    - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
  9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
  10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

## **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

## **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

## **PART 3**

### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each audit committee member shall be financially literate.

## **PART 4**

### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee,
- (c) to communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

## **PART 5**

## **5.1 Disclosure in Information Circular**

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

## **PART 6**

### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

## SCHEDULE "C" STOCK OPTION PLAN

### 1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to promote the interests of Canuc Resources Corporation (the "**Corporation**") by encouraging Directors, Employees and Consultants of the Corporation to advance the growth and development the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

### 2. Administration

The Plan shall be administered by the Board, or if appointed, by a committee of directors appointed from time to time by the Board of the Corporation pursuant to rules of procedure fixed by the board of directors (the "**Board**") (such committee, or if no such committee is appointed, the Board, is hereinafter referred to as the "**Committee**").

### 3. Granting of Options

The Committee may from time to time designate Directors, Employees and Consultants of the Corporation and its affiliates (collectively, the "**Optionees**") to whom options ("**Options**") to purchase common shares of the Corporation ("**Common Shares**") may be granted and the number of Shares to be optioned to each, provided that (and subject to such additional restrictions and limitations as the policies of the TSX-V may impose):

- (a) the aggregate number of Shares reserved for issuance on exercise of all Options issued under the Plan at any given time shall not exceed 10% of the number of Outstanding Common Shares at such time, subject to the adjustment as set forth in Section 8 hereof and the other provisions hereof;
- (b) the aggregate number of Shares reserved for issuance to any one Optionee in a 12 month period shall not exceed 5% of the number of Outstanding Common Shares, unless the Corporation complies with the policies of the TSX-V;
- (c) the aggregate number of Shares reserved for issuance to Insiders within a 12 month period, shall not exceed 10% of the Outstanding Common Shares;
- (d) the aggregate number of Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Common Shares; and
- (e) the aggregate number of Shares reserved for issuance to all Optionees employed to provide Investor Relations Activities in a 12 month period shall not exceed 2% of the number of Outstanding Common Shares.

For stock options to Employees, Consultants or Management Company Employees, the Corporation must represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

The Common Shares that are reserved for issuance under Options granted pursuant to this Plan that are cancelled, terminated or expire in accordance with the terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

#### 4. Vesting

- (a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, acceleration of vesting (including, without limitation, in the case of a takeover bid or other change of control), or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be immediate.
- (b) Notwithstanding the foregoing, unless otherwise permitted by the TSX-V, Options issued to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months, with no more than one quarter of the Options vesting in any three month period.

#### 5. Exercise Price

- (a) Subject to the policies of the TSX-V, the exercise price (the “**Exercise Price**”) of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Common Shares. For this purpose, “Discounted Market Price” shall mean the closing trading price per Share on the TSX-V (or if the Common Shares are not listed on the TSXV, on such stock exchange as the Common Shares are then traded) on the last trading day preceding (i) the issuance of a news release in respect of the Option grant, or (ii) the date of grant, as applicable, on which there was a closing price, less the applicable discount, or, if the Common Shares are not listed on any stock exchange, a price determined by the Committee.
- (b) The Corporation must obtain disinterested shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

#### 6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, provided that no Option may be exercised beyond five years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee (except as provided herein). In addition, each Option shall provide that:

- (a) upon the death of the Optionee, provided the Optionee was a Service Provider for at least one year following the grant of the Options (unless otherwise determined by the Committee), the Option shall terminate on the date determined by the Committee, which shall not be more than one year from the date of death; and
- (b) if the Optionee shall no longer be a Service Provider to the Corporation, the Option shall terminate on the expiry of the period (the “**Termination Date**”) not in excess of 90 days, or 30 days if the Service Provider is engaged in Investor Relations Activities, following the date that the Optionee ceases to be a Service Provider to the Corporation; provided that the number of Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Service Provider to the Corporation (other than if the Service Provider is terminated by the Corporation for cause).

An Option shall be non-assignable and non-transferable by the Optionee otherwise than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Optionee may transfer the Option (or

any part thereof) to (i) a corporation that is wholly-owned the Optionee, or (ii) a registered retirement savings plan of the Optionee, provided that, in any such case, the transfer is permitted by, and is effected in accordance with, the then applicable policies of applicable regulatory authorities. Subsequent to any such permitted transfer, the transferred Options shall nevertheless be deemed, for purposes of the Plan, to continue to be held by the Optionee and shall continue to be subject to the terms and conditions of the Plan as if the Optionee remained the sole holder thereof.

## **7. Exercise of Option**

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price by certified cheque or bank draft of the Common Shares then being purchased.

## **8. Mergers, Amalgamation and Sale**

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another body corporate or other entity or shall sell the whole or substantially the whole of its assets and undertakings for shares, securities or other property of another body corporate or other entity, the Corporation shall, subject to this Section 8, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares, securities or other property of the continuing or successor corporation in such merger or amalgamation or the securities, shares or other property of the purchasing corporation as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the Common Shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such Shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

## **9. Termination of Option in the Event of Take Over Bid**

In the event a take-over bid (as defined in the Securities Act (Ontario)) which is not exempt from the takeover bid requirements of the Securities Act (Ontario) (or its replacement or successor provisions) shall be made for the Common Shares of the Corporation, the Corporation may in the agreement providing for the grant of Options herein provide that the Corporation may require the disposition of the Options and the termination of any obligations of the Corporation to the Optionee in respect of any Options granted by paying to the Optionee in cash the difference between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to approval by the stock exchanges upon which the Common Shares are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

## **10. Alterations in Shares**

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted, or the Corporation shall pay a dividend upon the Common Shares by way of issuance to the holders thereof of additional Shares, Options with respect to any Shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of Shares he would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the Common Shares and had held such Shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

### **11. Option Agreements**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

### **12. Regulatory Authorities Approvals**

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

### **13. Amendment or Discontinuance of the Plan**

The Committee may amend or discontinue the Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan and provided further that any amendment to the Plan should be subject to prior approval of any stock exchange on which the Common Shares are listed, as required by such exchange, and approval of the shareholders of the Corporation, if required by such exchange.

### **14. Shares Duly Issued**

Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Shares thereunder will not require a resolution or approval of the Board.

### **15. Options to Other Persons and Entities**

The provisions herein in respect of the grant of Options shall apply, with the appropriate modifications, to the grant of Options to any person or other entity to whom an Option could have been transferred as provided in the last paragraph of Section 6 hereof, in which case the Option shall nevertheless be deemed, for purposes of the Plan, to be held by the person that is the Service Provider to the Corporation in respect of such person or other entity to whom the Option is actually granted and the Options shall continue to be subject to the terms and conditions of the Plan as if the Service Provider remained the sole holder thereof.

## 16. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the TSX-

V and there are discrepancies between said defined terms, the defined term used in the policies of the TSXV shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the TSX-V.

- (a) “**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario) as from time to time amended, supplemented or re-enacted.
- (b) “**Company**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual.
- (c) “**Consultant**” means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution of securities;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- (d) “**Consultant Company**” means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (e) “**Directors**” means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws.
- (f) “**Employee**” means:

(i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

(g) “**Insider**”, if used in relation to the Corporation, means:

(i) a director or senior officer of the Corporation;

(ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;

(iii) a Company or individual that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or

(iv) the Corporation itself if it holds any of its own securities.

(h) “**Investor Relations Activities**” means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:

(A) to promote the sale of products or services of the Corporation; or

(B) to raise public awareness of the Corporation; that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable securities laws; or

(B) Exchange Requirements (as defined in the policies of the TSX-V) or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(A) the communication is only through the newspaper, magazine or

publication; and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the TSX-V.

(i) “**Management Company Employee**” means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities.

(j) “**Outstanding Common Shares**” at the time of any share issuance or grant of stock Options means the aggregate number of Shares that are outstanding immediately prior to the share issuance or grant of stock Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including, if listed thereon, the TSX-V.

(k) “**Service Provider**” means a Director, Employee or Consultant of the Corporation.

(l) “**TSX-V**” means the TSX Venture Exchange.

**DATED:** May 31, 2017

**CANUC RESOURCES CORPORATION**

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**Toronto, Ontario**