



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR
WITH RESPECT TO THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
OF
KERR MINES INC.**

TO BE HELD ON DECEMBER 20, 2018

DATED NOVEMBER 16, 2018

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of shareholders of Kerr Mines Inc. (the “**Company**”) will be held at 11:00 a.m. (Toronto time) on December 20, 2018 at the Sheraton Centre Toronto Hotel, Huron Meeting Room, 123 Queen Street West, Toronto, ON M5H 2M9 for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal years ended June 30, 2018 and June 30, 2017, together with the auditors’ report thereon;
2. to elect directors to serve until the next annual general meeting;
3. to appoint auditors to hold office until the next annual meeting of the Company at a remuneration to be fixed by the board of directors;
4. to approve all unallocated entitlements under the Company’s Stock Option Plan for the ensuing three (3) years; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

This Notice is accompanied by a management information circular (the “**Circular**”) and form of proxy. The Circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at www.sedar.com.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular. Proxies are being solicited by the management of the Company. Shareholders who are entitled to vote at the Meeting may vote either in person or by proxy. Shareholders who are unable to be present in person at the Meeting are requested to sign, date and deliver the accompanying proxy to the Company’s registrar and transfer agent, TSX Trust Company, Attention: Proxy Department, 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1 or faxed to 416-361-0470 so it is received 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 adjournment or adjournments thereof.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or another intermediary, please complete and sign the materials in accordance with the instructions provided to you by such broker or other intermediary.

DATED at Toronto, Ontario, this 16th day of November 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“Claudio Ciavarella”

Claudio Ciavarella
Chief Executive Officer

KERR MINES INC.

MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders
to be held on December 20, 2018

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“Circular”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF KERR MINES INC. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Thursday December 20, 2018 at the hour of 11:00 a.m. (Eastern time) at the Sheraton Centre Toronto Hotel, Huron Meeting Room, 123 Queen Street West, Toronto, ON M5H 2M9 and at any adjournment or postponement thereof (the “**Meeting**”) for the purposes set out in the enclosed notice of meeting (the “**Notice**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company’s proxy solicitation materials (the “**Meeting Materials**”) to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company’s registrar and transfer agent as a registered holder of Common Shares (each a “**Registered Shareholder**”) may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, TSX Trust Company, Attention: Proxy Department, 301 - 100

Adelaide Street West, Toronto, ON M5H 4H1 or faxed to 416-361-0470 so it is received 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 adjournment or adjournments thereof. The Registered Shareholder should execute a form of proxy or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, by electronic signature, to (i) the registered office of the Company, located at 18 King Street East Suite 902, Toronto Ontario M5C 1C4, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the

Meeting. Common Shares beneficially owned by a non-registered holder (each a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) (a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders 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 (a “VIF”). 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 Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

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 Common Shares beneficially owned by the Non-Registered Holder, but which is otherwise not completed. 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 Non-Registered Holder’s behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder’s or its nominee’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of November 16, 2018 (the “Record Date”), there were a total of 255,785,168 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as follows:

Name	Type of Ownership	Number of Common Shares	Percentage of Outstanding Common Shares
Fahad Al Tamimi Chairman	Direct and Indirect	57,256,003 ⁽¹⁾	22.38%
Claudio Ciavarella CEO	Direct and Indirect	26,479,319 ⁽²⁾	10.35%

Notes:

(1) Held by Trans Oceanic Minerals Company Ltda. company controlled by Fahad Al Tamimi.

(2) Held by Braydon Capital Corporation and Forte Fixtures & Millwork Inc, two companies controlled by Claudio Ciavarella.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person who has been a director or officer of the Company at any time since July 1, 2017, the beginning of the Company's last completed financial year, no proposed nominee for election to the board of directors of the Company (the "**Board**"), and no associate or affiliate of any such person has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended June 30, 2018 and June 30, 2017, together with the auditor's report will be presented to the Shareholders at the Meeting. The annual financial statements for the year ended June 30, 2018 and June 30, 2017 are being mailed to each Shareholder who so requested as of the Record Date and are also available at www.sedar.com or on the Company's website at www.kerrmines.com

2. ELECTION OF DIRECTORS

There are of six (6) directors to be elected at the Meeting. The term of each present director expires immediately prior to the election of directors at the Meeting. **Proxies received in favour of management will be voted FOR the election 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 a director and all nominees have confirmed their willingness to continue

to serve as directors. Each director of the Company holds office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed. The Company's majority voting policy provides that a director who receives a majority of "withhold" votes must tender his resignation and the Board will generally accept that resignation, absent exceptional circumstances, and publicly announce its decision by news release.

The following table and the notes thereto sets out information as of November 16, 2016 on each person nominated by management for election as a director.

Name, Province and Country of Residence and Position With the Company	Director Since	Number Of Common Shares Owned	Principal Occupation
Fahad Tamimi ⁽²⁾ Saudi Arabia Chairman	June 30, 2016	57,256,003	Chairman, Tamimi Trading and Contracting Co. (TIMCO)
Claudio Ciavarella ^{(2) (4)} Ontario, Canada CEO and Director	December 19, 2013	26,479,319	CEO of Kerr Mines Inc.
Martin Kostuik ^{(2) (4)} Nashville, US President and Director	April 11, 2017	--	President of Kerr Mines Inc.
Peter Damouni ^{(1) (3)} London, United Kingdom Director	June 30, 2016	333,333	Director of Silvergate Capital Partners Ltd.
Ayman Arekat ⁽¹⁾⁽³⁾⁽⁴⁾ Bahrain Director	June 30, 2016	--	Managing Director, The International Finance Bureau
James McVicar ⁽¹⁾⁽³⁾ Ontario, Canada Director	March 29, 2017	--	Senior Partner, Peterson McVicar LLP

Notes:

- (1) Member of the Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Corporate Governance, Compliance and Disclosure Committee
- (4) Member of the Safety, Health and Environmental Committee

As at the date of this Circular, the directors and proposed directors of the Company as a group, directly and indirectly, beneficially own or exercise control or direction over 84,068,555 Common Shares, representing approximately 32.87% of the issued and outstanding Common Shares.

Cease Trade Orders or Bankruptcies

No proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) 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
- (c) has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed director has been subject to:

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

3. RE-APPOINTMENT OF AUDITORS

Kreston GTA LLP, Chartered Accountants, were first appointed auditors of the Company effective June 28, 2017. **Proxies received in favour of management will be voted in favour of the re-appointment of Kreston GTA LLP, Chartered Accountants, as auditors of the company to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration, unless the Shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof.**

4. STOCK OPTION PLAN - APPROVAL OF UNALLOCATED ENTITLEMENTS

The rules of the Toronto Stock Exchange (the “**TSX**”) require that all unallocated options, rights or other entitlements (“**Unallocated Entitlements**”) under stock option plans that do not have a fixed maximum number of securities issuable be approved by a majority of a listed company’s directors and by the listed company’s Shareholders three years after institution of the stock option plan and every three years thereafter. At the Meeting, the Company is seeking shareholder approval of the Unallocated Entitlements under the Company’s Stock Option Plan. Unallocated Entitlements were previously approved by the Shareholders of the Company at the Company’s annual and special general meeting on July 6, 2015. As the three-year term prescribed by the TSX expired on July 6, 2018, an ordinary resolution will be placed before the Shareholders to approve the Unallocated Entitlements. This approval will be effective for three years from the date of the Meeting. If approval is not obtained at the Meeting, options, awards or other entitlements which have not been allocated prior to the Meeting will not be available for a new grant of options. Accordingly, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation the “**Stock Option Plan Resolution**”, subject to such amendments, variations or additions as may be approved at the Meeting, approving the Unallocated Entitlements under the Company’s Stock Option Plan for the ensuing three years.

Previously allocated options will continue to be unaffected by the approval or disapproval of the Stock Option Plan Resolution. As at the date of this Circular, the Company has 9,880,000 stock options outstanding, which represent in the aggregate approximately 3.86% of the issued and outstanding Common Shares.

For particulars with respect to the terms of the current Stock Option Plan, see “*Statement of Executive Compensation – Long Term Incentive Plans*” in this Circular. A copy of the Stock Option Plan is available for viewing at the Company’s registered office at 18 King Street East, Suite 920, Toronto, Ontario M5C 1C4, and at the Meeting.

Shareholder Resolutions

The approval of the Stock Option Plan Resolution requires the affirmative vote of the holders of a majority of the issued and outstanding Common Shares entitled to vote and represented in person or by proxy at the Meeting. Shareholders will be asked at the Meeting to consider and, if thought fit, approve the Stock Option Plan Resolution, with or without variation, in the form set forth below:

“BE IT RESOLVED, BY ORDINARY RESOLUTION, THAT:

1. the Unallocated Entitlements under the Stock Option Plan be and are hereby approved and authorized and the Company is authorized to grant options under the Stock Option Plan until December 20, 2021; and
2. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.”

The Board believes the passing of the foregoing resolution is in the best interests of the Company and the Board unanimously recommends that the Shareholders approve the Stock Option Plan Resolution by voting FOR this resolution at the Meeting. The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy FOR the foregoing resolution unless the holder of Common Shares who has given such proxy has directed that the votes be otherwise cast.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Philosophy and Objectives of the Executive Compensation Program

The philosophy of the Company's executive compensation program is to foster sustainable growth and profitability of the Company by:

- offering a compensation program that will attract and retain senior management with qualifications critical to the Company's long-term success;
- encouraging and rewarding strong performance of senior management by linking an appropriate portion of total compensation to achievement, based on individual and corporate performance objectives; and
- aligning the interests of senior management with the longer-term interests of shareholders by providing common share ownership opportunities through the Stock Option Plan.

The Company's executive compensation program consists of an annual base salary and option grants. Base salary remains the most significant compensation component.

Pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations*, the Company is required to disclose all annual and long-term compensation for services rendered in all capacities to the Company for its previous three fiscal years, in respect of (i) the CEO, (ii) the President and (iii) the CFO and (iv) any other executive officer whose compensation in any of those three fiscal years exceeded \$150,000 (collectively, the "**Named Executive Officers**"). The Company currently has three Named Executive Officers, Claudio Ciavarella (CEO) Martin Kostuik (President) and Carmelo Marrelli (Chief Financial Officer).

The Compensation Committee of the Company is comprised of Fahad Al Tamimi (Chair), Martin Kostuik and Claudio Ciavarella, of whom Mr. Al Tamimi is considered independent for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). Messrs. Kostuik and Ciavarella are not considered independent, as each is a senior executive officer of the Company. Each member of the Compensation Committee has held senior executive and/or board positions with other publicly traded companies where they have been involved in the development and implementation of compensation policies and practices for employees at all levels, including executive officers. The Board believes that the Compensation Committee

members possess all of the knowledge, experience and the profile needed to fulfill the mandate of the Compensation Committee.

The Compensation Committee works in conjunction with the Chairman and the CEO on the review and assessment of the performance of executive officers and other employees in accordance with the Company's compensation practices. The Board reviews the Compensation Committee's recommendations to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company's compensation program.

Base Rate or Salary

The base fee or salary of each Named Executive Officer is determined by an assessment by the Board of such executive's performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive played in such corporate performance.

Long Term Compensation

The Company currently has no long-term incentive plans, other than Company's Stock Option Plan.

The Stock Option Plan provides for the number of Common Shares reserved for issuance under the Stock Option Plan not to exceed 10% of the Company's issued and outstanding share capital at the time of any stock option grant on a rolling basis. The Stock Option Plan is the Company's only compensation plan providing for the issuance of securities of the Company as compensation.

The principal purposes of the Stock Option Plan are to retain and attract qualified directors, officers, employees and service providers which the Company and its subsidiaries require; to promote a proprietary interest in the Company and its subsidiaries; to provide an incentive element in compensation; and to promote the profitability of the Company and its subsidiaries. Stock options shall be granted only to persons, firms or companies ("**Eligible Optionees**") who are directors, employees, consultants or management company employees of the Company or a subsidiary of the Company or, with the prior consent of the TSX and subject to restrictions on transfer, stock options may also be granted to a company that is wholly-owned by an Eligible Optionee. The maximum number of Common Shares issuable to any Eligible Optionee, at any time, under the Stock Option Plan and any other security-based compensation arrangement is 5% of the issued and outstanding common shares. The maximum number of Common Shares reserved for issuance to any Eligible Optionee within any one-year period under the Stock Option Plan and any other security-based compensation arrangement is 5% of the issued and outstanding Common Shares. The maximum number of stock options granted to consultants or persons employed in investor relations activities is 2% of the outstanding Common Shares.

The Stock Option Plan provides that the exercise price for any option granted shall be an amount determined by the directors when the option is granted, such amount not to be less than the Market Price of the common shares on the date of the grant. "**Market Price**" means the last closing price of the common shares on the TSX prior to the date the stock option is granted.

The exercise price of the stock options granted under the Stock Option Plan cannot be below Market Price. There are no stock appreciation rights associated with the stock options granted under the Stock Option Plan and there are no provisions under the Stock Option Plan to transform stock options into stock appreciation rights.

Stock options vest immediately on their date of grant and continue for a term determined in the discretion of the Board at the time of the grant, provided that no stock option shall have a term exceeding five years, and unless the Board provides otherwise, all stock options will terminate: (i) in the case of stock options granted to an employee or consultant employed or retained to provide investment relations services, thirty days after the Eligible Optionee ceases to be employed or retained to provide investment relations services; (ii) in the case of stock options granted to other employees, consultants, directors, officers or advisors, ninety days following the termination (for or without cause) of such Eligible Optionee's employment or other relationship with the Company or an affiliated entity, or twelve months following the death or permanent and total disability of the Eligible Optionee. Other than a limited right of assignment in the event of the death of an Eligible Optionee to allow the exercise of stock options by the Eligible Optionee's legal representative, stock options shall not be assignable or transferable by the Eligible Optionees.

The Company shall retain the right to amend from time to time or to terminate the terms and conditions of the Stock Option Plan by resolution of the Board. All amendments shall be subject to the prior consent of any applicable regulatory bodies, including the TSX. Amendments and termination shall take effect only with respect to stock options issued thereafter, provided that they may apply to any stock options previously issued with the mutual consent of the Company and the Eligible Optionees holding such stock options.

The Company does not provide financial assistance to participants under the Stock Option Plan. There are no entitlements under the Stock Option Plan that have been granted but are subject to ratification by the Company's shareholders.

Risks Associated with Compensation Practices

The Board has not undertaken a formal analysis of the implications of the risks associated with the Company's compensation policies and practices.

Financial Instruments

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers; however, the Company is not aware of any directors or officers having entered into this type of transaction.

Summary Compensation Table

The table below sets forth information concerning the compensation paid, awarded or earned by each of the Names Executive Officers for services rendered in all capacities to the Company during the three most recently completed financial year ends.

COMPENSATION OF NAMED EXECUTIVE OFFICERS ⁽¹⁾									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Claudio Ciavarella ⁽²⁾ CEO	2018	1	-	507,587	-	-	-	-	507,587
	2017	1	-	89,248	-	-	-	-	89,248
Martin Kostuik ⁽²⁾ President	2018	285,744	-	250,702	-	-	-	-	536,446
	2017	57,539	-	89,248	-	-	-	-	146,787
Carmelo Marrelli ⁽³⁾ CFO	2018	-	-	-	-	-	-	44,678 ⁽⁴⁾	\$44,678
	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
(2) Messrs. Ciavarella and Kostuik were appointed on April 11, 2017.
(3) Mr. Marrelli was appointed CFO on December 1, 2018.
(4) During the year ended June 30, 2018 the Company paid professional fees and disbursements of \$44,678, (year ended June 30, 2017 - \$nil) to Marrelli Support Services Inc., DSA Corporate Services Inc. and DSA Filing Services Limited, together known as the "Marrelli Group", for: Carmelo Marrelli, President of Marrelli Group, to act as the Chief Financial Officer of the Company; Bookkeeping services; Regulatory filing services; and Corporate secretarial services. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at June 30, 2018, the Marrelli Group was owed \$7,700 (June 30, 2017 - \$nil).
(5) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

Options	2017	2018
Expected life of options	5 years	5 years
Risk-free interest rate	1.02%	1.51-1.97%
Expected stock price volatility	114.93%	111%
Expected dividend yield	0%	0%

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

Option-based awards or share-based awards outstanding in respect of each Named Executive Officer as at June 30, 2018 were as follows:

Name	Option Based Award				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Claudio Ciavarella Chief Executive Officer	2,000,000	0.19	2022/05/02	120,000	-	-
	500,000	0.22	2022/08/22	15,000		
	1,000,000	0.30	2023/01/12	Nil		
Martin Kostuik President	2,000,000	0.19	2022/05/02	120,000	-	-
	500,000	0.22	2022/08/22	15,000		

Note:

- ⁽¹⁾ The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2018 \$0.25 and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Value Vested or Earned During the Financial Year

For the year ended June 30, 2018, the following table sets forth for each Named Executive Officer the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date. The value of vested during the year ended June 30, 2018.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-based awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Claudio Ciavarella	26,250	-	-
Martin Kostuik	26,250	-	-

Note:

- ⁽¹⁾ The value of options which vested during the fiscal year ended June 30, 2018 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Pension Plan Benefits

There are no pension plan benefits in place for Named Executive Officers.

Employment Agreements

Ciavarella Agreement

Pursuant to an employment agreement (the “**Ciavarella Agreement**”) dated April 12, 2017, between the Company and Claudio Ciavarella, Mr. Ciavarella provides full-time services to the Company as CEO. The Ciavarella Agreement provides that Mr. Ciavarella’s receives \$1 as an annual salary. The Ciavarella Agreement contains non-disclosure provisions whereby Mr. Ciavarella agrees not to disclose confidential information of the Company.

Under the terms of the Ciavarella Agreement, Mr. Ciavarella has the option to terminate his employment by giving the Company 90 days’ notice. The Company may terminate the Ciavarella Agreement at any time without notice by payment to Mr. Ciavarella equal to a deemed annual salary of \$350,000. On the termination of or resignation for good cause within 12 months of a change of control of the Company, Mr. Ciavarella is entitled to a lump sum payment equal top two times the deemed annual salary.

Kostuik Agreement

Pursuant to an employment agreement (the “**Kostuik Agreement**”) dated April 12, 2017, between the Company and Martin Kostuik, Mr. Kostuik provides full-time services to the Company as President. The Kostuik Agreement provides that Mr. Kostuik is entitled to an annual salary of US\$225,000. The Kostuik Agreement contains non-disclosure provisions whereby Mr. Kostuik agrees not to disclose confidential information of the Company.

Under the terms of the Kostuik Agreement, Mr. Kostuik has the option to terminate his employment by giving the Company 90 days’ notice. The Company may terminate the Kostuik Agreement at any time without notice by payment to Mr. Kostuik equal to one times annual salary. On the termination of or resignation for good cause within 12 months of a change of control of the Company, Mr. Kostuik is entitled to a lump sum payment equal top two times the annual salary.

Termination and Change of Control Benefits

Compensation plans with Named Executive Officers resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under “*Employment and Consulting Agreements*”.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers for termination on a change of control, assuming termination on June 30, 2018:

Name	Triggering Event	Base Salary \$	Value of Option- Based Awards if Exercised on Termination ⁽¹⁾ \$	All Other Compensation ⁽²⁾ \$	Total \$
Claudio Ciavarella	Change of control	\$700,000	\$327,500		\$1,027,500
	Termination without just cause	\$350,000	\$327,500		\$677,500
Martin Kostuik	Change of control	US\$450,000	\$327,500		\$777,500
	Termination without just cause	US\$225,000	\$327,500		\$552,500
Carmelo Marrelli	Change of control	-	-		-
	Termination without just cause	-	-		-

Notes:

⁽¹⁾ The value of unexercised options was calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2018 (\$0.25) and the exercise price of the options. Where the difference is negative, the options are not in-the-money and no value is reported. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ No additional Compensation

⁽³⁾ Subject to standard statutory payments under applicable employment legislation.

COMPENSATION OF DIRECTORS

Directors of the Company are not entitled to any fees for attending meetings of the Board, committees of the Board and shareholders of the Company. The directors are reimbursed for any out-of-pocket travel expenses incurred to attend meetings as well as participate in the Stock Option Plan.

Summary Compensation Table

The following table sets forth all compensation paid, awarded or earned by the non-executive directors of the Company during the year ended June 30, 2018.

Directors Compensation Table ⁽²⁾							
Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Fahad al Tamimi	-	-	\$344,196	-	-	-	
Ayman Arekat	-	-	\$87,310	-	-	-	
Peter Doumani	-	-	\$87,310	-	-	-	
James McVicar	-	-	\$87,310	-	-	-	

Notes:

- ⁽¹⁾ The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

Options	2017	2018
Expected life of options	5 years	5 years
Risk-free interest rate	1.02%	1.51-1.97%
Expected stock price volatility	114.93%	111%
Expected dividend yield	0%	0%

- ⁽²⁾ The table does not include any amount paid as reimbursement for travel, meals and accommodation expenses to attend Board and/or Committee meetings.

Option-based and Share Based Awards to Directors

Name	Option Based Award				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Fahad Al Tamimi	500,000	0.22	2022/08/23	15,000	-	-
	1,000,000	0.30	2023/01/12	-	-	-
Ayman Arekat	500,000	0.22	2022/08/23	15,000	-	-
Peter Doumani	500,000	0.22	2022/08/23	15,000	-	-
James McVicar	500,000	0.22	2022/08/23	15,000	-	-

Note:

- ⁽¹⁾ The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2018 (\$0.25) and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Value Vested or Earned During the Year

For the year ended June 30, 2018, the following table sets forth for each director the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date. The value of vested during the year ended June 30, 2018.

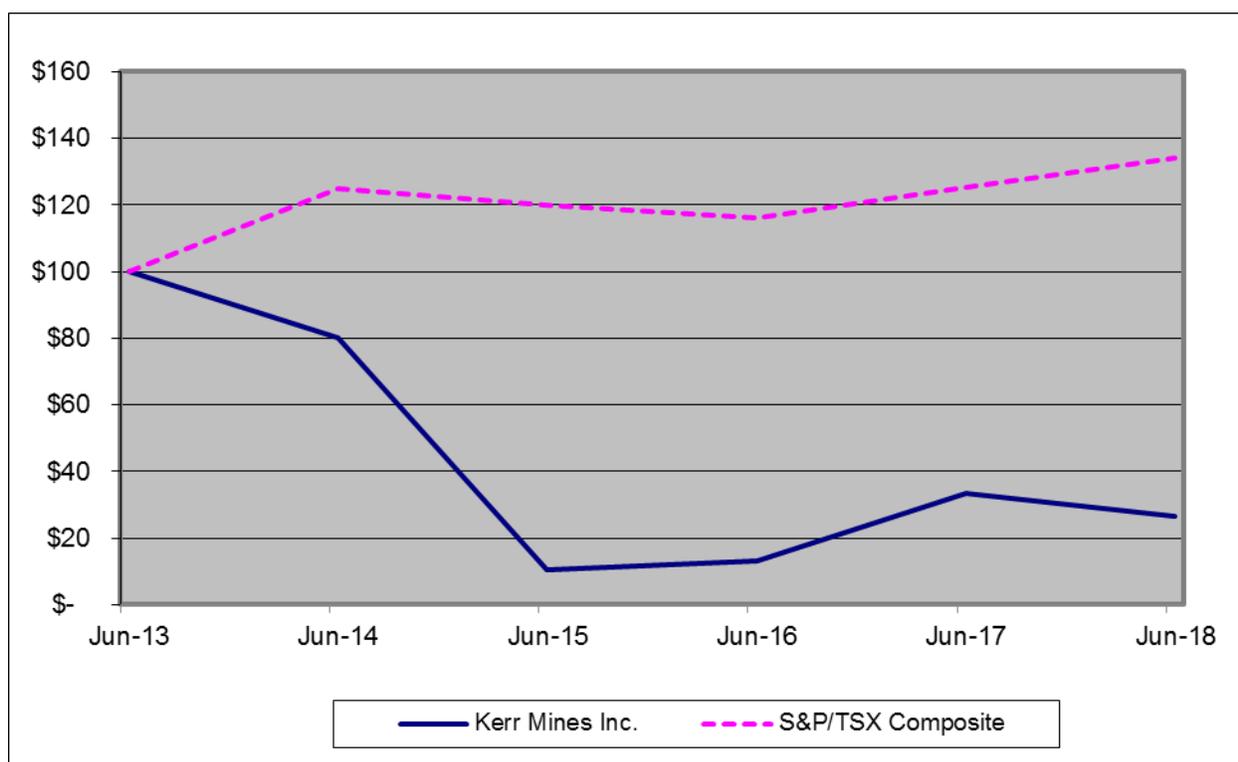
Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-based awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Fahad al Tamimi	-	-	-
Ayman Arekat	-	-	-
Peter Doumani	-	-	-
James McVicar	-	-	-

Notes:

- (1) The value of options which vested during the fiscal year ended June 30, 2018 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Performance Graph

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Index of the TSX (“**TSX Composite Index**”) during the period from June 30, 2014 to June 30, 2018, assuming \$100 was invested and all dividends were reinvested based on the closing price of the Common Shares on June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018, the last trading days in the Company’s fiscal year in 2014, 2015, 2016, 2017 and 2018.



The Company does not currently have a formal policy linking the past performance of the Company with compensation. The Company issues options as an incentive to the executives to enhance future performance.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of the equity securities of the Company authorized for issuance as of June 30, 2018 pursuant to the Company's equity compensation plans currently in place:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	9,880,000	\$0.25	15,698,516
Equity compensation plans not approved by security holders	-	-	-
Total	9,880,000	\$0.25	15,698,516

Note:

- (1) The Board has, subject to shareholder approval, established the Stock Option Plan as a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who at any time during the two most recently completed financial years was, a director or officer of the Company, nor any proposed nominee for election as a director nor any associate of the foregoing, is or was at any time during the fiscal year ended June 30, 2018 indebted to the Company. In addition, none of such person’s indebtedness to any other company has been the subject of a guarantee, support agreement or letter of credit from the Company.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee operates under guidelines established by MI 52-110. In addition to carrying out its statutory legal responsibilities (including review of the Company’s annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and management’s discussion and analysis. The Audit Committee meets with the Company’s external auditors (with and without management) and with members of management at least once a year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm Kreston GTA LLP, Chartered Accountants to be appointed as the Company’s auditors and the terms of their remuneration.

Further information regarding the Audit Committee is contained in the Company’s annual information form (the “**AIF**”) dated September 28, 2018 under the heading “Audit Committee” and a copy of the Audit Committee charter is attached to the AIF as Appendix “A”. The AIF is available under the Company’s profile at www.sedar.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no director or officer of the Company, no proposed nominee for election to the Board, no person who owns, or controls or directs, directly or indirectly, more than 10% of the Company’s issued and outstanding shares, and no associate or affiliate of any such person, has had any material interest, direct or indirect, in any material transaction involving the Company during the fiscal year ended June 30, 2018.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Company to disclose, on an annual basis, its approach to corporate governance with reference to the guidelines provided in National Policy 58-201 - *Corporate Governance Guidelines* (the “**Guidelines**”). The Guidelines are not intended to be prescriptive. The Company is encouraged to consider the Guidelines in developing its own corporate governance practices, in its own context, and to explain to the investment community its approach to governance.

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Company's governance practices are subject to at least an annual review and evaluation through the Board's Corporate Governance and Nominating Committee to ensure that, as the Company's business develops and grows, changes in structure and process necessary to ensure continued good governance are identified and implemented.

The following statement, which describes the Company's current governance practices, has been prepared and approved by the Board.

Board of Directors

The Board is currently comprised of six (6) members including Fahad Al Tamimi, Claudio Ciavarella, Martin Kostuik, Peter Damouni, Ayman Arekat and James McVicar. The Board believes that three of its current members, Messrs. Tamimi, Arekat and McVicar are "independent" for purposes of NI 58-101. Mr. Ciavarella is the CEO and Mr. Kostuik is the President of the Company and Mr. Damouni is a contractor and by virtue of their roles, they are not independent within the meaning of NI 58-101. Mr. Al Tamimi is the Chairman of the Board and is independent.

The following table identifies each director of the Company that is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction and the other issuer.

Name of Director	Names of Other Reporting Issuers (or equivalent)
Peter Damouni	Georgian Mining Corp. Chesterfield Resources plc
James McVicar	Monarca Minerals Inc.

Each meeting of the Board includes a session whereby independent members may meet in the absence of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions.

Mandate of the Board

The Board's responsibility is to supervise the executive managers of the business and affairs of the Company and to act with a view to the best interests of the Company and its shareholders.

In the discharge of this responsibility, the Board oversees and reviews directly or through its various committees, the Company's results of operations, significant corporate plans and business initiatives, including the development and implementation of the annual business plan, strategic plans, major acquisitions and divestitures, public communications policies, the Company's senior management recruitment, assessment and succession processes and the

Company's internal control and management information systems to identify and manage principal business risks. The Board is also responsible for reviewing its size and the compensation paid to its members, to ensure that the Board can fulfil its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

In appropriate circumstances, individual directors have the right to engage an outside advisor, at the expense of the Company, to assist the director in dealing with his responsibilities. Such an engagement is subject to approval by the Corporate Governance, Compliance and Compensation Committee.

The Board considers, as a general rule, that management should speak for the Company in its communications with shareholders and the investment community, in the context of shareholder and investor relations programs reviewed and approved periodically by the Board.

The Company conducts a shareholder and investor relations program, under the direction of senior management. The program involves receiving and responding to shareholder inquiries, briefing analysts and fund managers with respect to reported financial results and other announcements by the Company, as well as meeting with individual investors and other stakeholders. The Board reviews the Company's major communications with shareholders and the public, including financial results, annual reports and management proxy circulars.

The Charter of the Board is attached as Schedule "A".

Position Descriptions

The Board has not developed separate a written position descriptions for the Chairman of the Board nor the chair of any board committee. The Charter of the Board and various committee mandates do address the role and responsibilities of the chair. The Board has not developed and adopted a position for the CEO. The CEO's responsibilities include, among other things, directing the business with the objective of establishing current and long-range objectives, plans and policies, representing the Company with its major suppliers, customers, the financial community and the public, and providing leadership to the management team.

Orientation and Continuing Education

All new directors are provided with comprehensive information about the Company and its subsidiaries. Directors have the opportunity to meet with senior management to obtain insight into the operations of the Company and its subsidiaries. New directors are briefed on the Company's current property holdings, ongoing exploration programs, overall strategic plans, short, medium and long term corporate objectives, financial status, general business risks and mitigation strategies, and existing company policies. Senior management also makes regular presentations to the Board at its meetings and all directors are encouraged to communicate directly with management and other staff. Directors are invited to tour the Company's Copperstone facilities in Arizona and to meet with the on-site management team to familiarize themselves with the Company's operations. This informal process is considered to be appropriate given the Company's size, current level of operations, and the ongoing interaction amongst the directors.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, experience in running and managing public companies. It is the Company's view that all current members of the Board are well versed and educated in the factors critical to the success of the Company. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

Board Diversity Policy

The Board recognizes the benefits of having a diverse Board and seeks to increase diversity at the Board level informally through the recruitment efforts of the Board, without a written diversity policy in place. To further its objectives in this regard, the Board will consider adopting a written diversity policy during fiscal 2018 with the objective of increasing diversity at the Board level, with emphasis on gender diversity. The Board remains receptive to increasing the representation of women on the Board, considering the skills, background, experience and knowledge desired at that time by the Board and its committees. The Company does not support the adoption of quotas or targets regarding gender representation on the Board or in executive officer positions. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board). With respect to executive officer appointments, the Company recruits, manages and promotes based on an individual's competence, qualification, experience and performance, also with due regard for the benefits of diversity (including the level of representation of women in executive officer positions). As at the date of the Circular, none of the Company's directors and one of executive officers of the Company are women.

Ethical Business Conduct

The Company maintains a Board-approved Code of Business Conduct and Ethics for Directors and Officers ("**Code of Conduct**") for which no waivers have currently been sought or granted. The Code of Conduct addresses conflicts of interest, confidentiality, protection and proper use of corporate assets, fair dealing, and compliance with laws, rules and regulations, and it encourages reporting of any illegal or unethical business practices. The Code of Conduct is signed by each director, officer and employee of the Company. Anyone may obtain a copy of it through SEDAR at www.sedar.com.

In addition to the provisions of the Code of Conduct, directors and senior officers are bound by the provisions of the Company's articles and the CBCA, which sets forth resolutions for any conflicts of interest. In particular, any director who has a material interest in a particular transaction is required to disclose such interest and to refrain from voting with respect to the approval of any such transaction.

Nomination of Directors

The Corporate Governance, Compliance and Disclosure Committee makes recommendations as to the size and composition of the Board; reviews qualifications for potential candidates for election to the Board; recommends for the Board's approval the slate of nominees for presentation to the annual shareholders' meetings; and makes recommendations with respect to the membership of committees. The committee is also responsible for reviewing and reporting to the Board annually on the overall performance and composition of the Board and its committees. It is the Corporate Governance, Compliance and Compensation Committee that is responsible for all corporate governance matters, including but not limited to establishing, evaluating and maintaining the state of the Company's corporate governance practices to ensure that such practices are current, appropriate and effective. The Corporate Governance, Compliance and Disclosure Committee is comprised of Messrs. McVicar (Chair), Damouni and Arekat. Of the member of the committee, Messrs McVicar and Arekat are considered independent and Mr. Damouni is not considered to be independent. The Board has not adopted a term limit for directors. The Board believes that the imposition of director term limits on the Board may discount the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members.

Compensation

The Company has a Compensation Committee that reviews all personnel matters, including performance, compensation, and succession arrangements. The committee reviews the form and adequacy of compensation for directors and officers of the Company, and reviews all of the Company's employee incentive plans. The Committee also reviews the performance and remuneration of the Company's senior management. At least annually, the Committee reviews and makes recommendations to the Board with respect to the performance and remuneration of the CEO, other officers, the directors and other senior management. The Committee reviews and considers publicly disclosed compensation information by industry competitors in making its recommendations. The Compensation Committee is comprised of Messrs. Al Tamimi (Chair), Kostuik and Ciavarella of which Mr. Al Tamimi is independent and Messrs. Kostuik and Ciavarella are not independent.:

The individuals comprising the Compensation Committee have acted as directors and executive officers for a variety of publicly listed and private companies. As a group, such directors have several years of directorship experience. The Company believes that the directors' experiences in this regard are relevant to their responsibilities in determining executive compensation and enables them to make decisions on the suitability of the Company's compensation policies and practices.

Other Board Committees

Health, Safety and Environmental Committee.

The overall purpose of the Health, Safety and Environmental Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's continuing commitment to improving the environment and ensuring that its activities are carried out, and that its facilities

are operated and maintained, in a safe and environmentally sound manner. The primary function of the Health, Safety and Environmental Committee is to monitor, review and provide oversight with respect to the Company' policies, standards, accountabilities and programs relative to health, safety and environmental-related matters. The Health, Safety and Environmental Committee will also advise the Board and make recommendations for the Board's consideration regarding health, safety and environmental-related issues.

Assessments

The Board annually assesses, on an informal basis, the effectiveness of the Board as a whole, the Board Chair, the Board committees, the committee chairs and the contribution of individual directors. These assessments, if necessary, are incorporated into recommendations for improvement.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on SEDAR and can be accessed on the internet at www.sedar.com. The Company's financial information is provided in the Company's audited consolidated financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the Company's profile on the SEDAR website at www.sedar.com and on the Company's website at www.kerrmines.com. Copies of the Company's annual information form, consolidated financial statements and related management discussion and analysis are available upon request, free of charge to Shareholders of the Company, by contacting the Company, at the Company's principal office located at 18 King Street East, Suite 902, Toronto Ontario M5C 1C4.

**SCHEDULE “A”
CHARTER OF THE BOARD OF DIRECTORS**

(I) PURPOSE

The purpose of this charter (“**Charter**”) of the board of directors (the “**Board**”) of the Company Resources Corp. (the “**Company**”) is to provide guidance to Board members as to their duties and responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through committees of the Board. The Board is not responsible for the day-to-day management and operation of the Company’s business, as this responsibility has been delegated to management. The Board is, however, responsible for supervising management in carrying out this responsibility.

(II) MEMBERSHIP

The Board consists of directors elected by the shareholders as provided for in the Company’s constating documents and in accordance with applicable law. From time to time, the Corporate Governance and Nominating Committee shall review the size of the Board to ensure that its size facilitates effective decision-making by the Board in the fulfilment of its responsibilities.

Each member of the Board must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is responsible for the matters under “Role and Responsibilities of the Board” below as well as for other duties as they arise in the director’s role.

All members of the Board shall have suitable experience and skills given the nature of the Company and its businesses and have a proven record of sound judgment. Directors are to possess characteristics and traits that reflect:

- high ethical standards and integrity in their personal and professional dealings;
- the ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the businesses of the Company to understand and assess the assumptions on which the Company’s strategic and business plans are based and to form an independent judgment with respect to the appropriateness and probability of achieving such plans;
- the ability to monitor and evaluate the financial performance of the Company;

- an appreciation of the value of Board and team performance over individual performance and a respect for others;
- an openness for the opinions of others and the willingness to listen, as well as the ability to communicate effectively and to raise tough questions in a manner that encourages open and frank discussion.

Directors are expected to commit the time and resources necessary to properly carry out their duties. Among other matters, directors are expected to adequately prepare for and attend all regularly scheduled Board meetings. New directors are expected to understand fully the role of the Board, the role of the committees of the Board and the contribution individual directors are expected to make.

(III) ETHICS

Members of the Board shall carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. Directors of the Company are expected to conduct themselves according to the highest standards of personal and professional integrity. Directors are also expected to set the standard for Company-wide ethical conduct and ensure ethical behaviour and compliance with laws and regulations. If an actual or potential conflict of interest arises, a director shall promptly inform the Chair and shall refrain from voting or participating in discussion of the matter in respect of which he has an actual or potential conflict of interest. If it is determined that a significant conflict of interest exists and cannot be resolved, the director should resign.

Directors are expected to act in accordance with applicable law, the Company's Articles and the Company's Directors' and Officers' Code of Business Conduct and Ethics. The Board is required to monitor compliance with the Directors' and Officers' Code of Business Conduct and Ethics and is responsible for the granting of any waivers from compliance with the Code for directors and officers.

(IV) MEETINGS

The Board shall meet in accordance with a schedule established each year by the Board, and at such other times as the Board may determine. Meeting agendas shall be developed in consultation with the Chair. Board members may propose agenda items through communication with the Chair. The Chair is responsible for ensuring that a suitably comprehensive information package is sent to each director in advance of each meeting. At the discretion of the Board, members of management and others may attend Board meetings, except for separate meetings of the non-management directors of the Board.

Directors are expected to be fully prepared for each Board meeting, which requires them, at a minimum, to have read the material provided to them prior to the meeting. At Board meetings, each director is expected to take an active role in discussion and decision-making. To facilitate this, the Chair is responsible for fostering an atmosphere conducive to open discussion and debate.

Non-management members of the Board shall have the opportunity to meet at appropriate times without management present at regularly scheduled meetings. The Chair shall be responsible for presiding over meetings of the non-management directors. Non-management Board members may propose agenda items for meetings of non-management Board members through communication with the Chair.

(V) ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for approving the Company's goals, objectives and strategies. The Board shall adopt a strategic planning process and approve and review, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business. The Board is also responsible for identifying the principal risks of the Company's businesses and overseeing the implementation of appropriate risk assessment systems to manage these risks.

In addition to the other matters provided in this Charter, the Board is also responsible for the following specific matters:

- reviewing and approving management's strategic plans;
- reviewing and approving the Company's financial objectives, business plans, budgets (including capital allocations and expenditures) and financial statements;
- monitoring corporate performance against the strategic plans and business, operating and capital budgets;
- management succession planning, including appointing, training and monitoring senior management and, in particular, the President of the Company;
- providing that an appropriate portion of senior executive management's compensation is tied to both short-term and long-term performance of the Company;
- monitoring the integrity of the Company's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems;
- approving acquisitions and divestitures of business operations, strategic investments and alliances, major business development initiatives and any unbudgeted expenditure in excess of \$100,000.00;
- the Company's communication policies, which:
 - (a) address how the Company interacts with analysts, investors, other key stakeholders and the public; and

- (b) contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure and insider trading;
- developing the Company's principles and approach to corporate governance;
- assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors;
- monitoring compliance with the Directors' and Officers' Code of Business Conduct and Ethics.

A director has an important and positive role as a representative of the Company. A director is also expected to participate in outside activities that enhance the Company's image to investors, employees, customers and the public.

(VI) ROLE AND RESPONSIBILITIES OF THE CHAIR

The principal responsibilities of the Chair of the Board shall be to oversee, manage and assist the Board in fulfilling its duties and responsibilities as a Board in an effective manner independently of management. The Chair shall be responsible, among other things,

- to chair Board meetings and annual and special meetings of shareholders,
- to organize an appropriate annual work plan and regularly scheduled meetings for the Board,
- to participate in the preparation of the agenda for each Board meeting,
- to monitor the work of the committees of the Board and in that connection the Chair may attend, as a non-voting participant, all meetings of Board committees (other than those on which he otherwise sits),
- to arrange for an appropriate information package to be provided on a timely basis to each director in advance of each meeting,
- to assist in the Board's evaluation and self-assessment of its effectiveness and implementation of improvements,
- to provide appropriate guidance to individual Board members in discharging their duties,
- to ensure newly appointed directors receive an appropriate orientation and education program, and

- to provide arrangements for members of the Board to communicate with the Chair formally and informally concerning matters of interest to Board members.

(VII) PROCEDURES TO ENSURE EFFECTIVE AND INDEPENDENT OPERATION

The Board recognizes the importance of having procedures in place to ensure the effective and independent operation of the Board. In addition to the policies and procedures provided elsewhere in this Charter including under “Role and Responsibilities of the Chair” set out above, the Board has adopted the following procedures:

- the Board has complete access to the Company’s management;
- the Board requires timely and accurate reporting from management and shall regularly review the quality of management’s reports;
- subject to the approval of the Corporate Governance and Nominating Committee, individual directors may engage an external adviser at the expense of the Company in appropriate circumstances;
- the Board shall ensure that every investor inquiry shall receive a prompt response from an appropriate officer of the Company;
- the Chair of the Board shall monitor the nature and timeliness of the information requested by and provided by management to the Board to determine if the Board can be more effective in identifying problems and opportunities for the Company; and
- the Board, together with the President, shall develop a detailed job description for the President. This description shall be approved by the Compensation Committee. The Board shall assess the President against the objectives set out in this job description.

(VIII) BOARD COMMITTEES

Subject to limits on delegation contained in corporate law applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. From time to time the Board may create *ad hoc* committees to examine specific issues on behalf of the Board.

Approved by the Board of Directors on September 25, 2006.