



CALLINEX MINES INC.
1555 – 555 West Hastings Street
Vancouver, BC V6B 4N6
Telephone: (604) 605-0885

INFORMATION CIRCULAR

September 20, 2017

INTRODUCTION

This Information Circular accompanies the Notice of Annual General Meeting (the “Notice”) and is furnished to shareholders holding common shares in the capital of Callinex Mines Inc. (the “Company”) in connection with the solicitation by the management of the Company of proxies to be voted at the Annual General Meeting (the “Meeting”) of the shareholders to be held at 10:00 am (Vancouver time) on Wednesday, October 18, 2017 at Suite 704, 595 Howe Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is September 20, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

MANAGEMENT SOLICITATION OF PROXIES

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made, without special compensation, by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The Company will bear the cost of the solicitation.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT AND REVOCATION OF PROXY

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of September 13, 2017 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “Designated Persons”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company’s transfer agent, Computershare Investor Services Inc. (the “Transfer Agent”) at their offices located at 510 Burrard St., 3rd Floor Vancouver, BC, V6C 3B9 by mail or fax not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarial certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder’s attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

VOTING OF PROXIES

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., being the registration name for The Canadian Depository for Securities Limited (which acts as nominee for many Canadian brokerage firms and in the United States, under the name Cede & Co., as nominee for The Depository Trust Company which acts as depository for many U.S. brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") or objecting to their Intermediary disclosing

ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or “OBOs”).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a “VIF”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the “Meeting Materials”) directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company 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 Company (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.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, being the close of business on September 13, 2017, a total of 78,298,708 common shares were issued and outstanding. Each common share 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.

To the knowledge of the directors and executive officers of the Company, 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 of the Company, except the following:

Name	No. of Shares Owned or Controlled	Percentage of Outstanding Shares
Resource Capital Fund VI L.P.	9,358,348	11.95%

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at five (5).

MANAGEMENT RECOMMENDS THE APPROVAL OF THE RESOLUTION TO SET THE NUMBER OF DIRECTORS OF THE COMPANY AT FIVE (5).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board of Directors.

We currently have five (5) directors, all of whom are standing for re-election at the Meeting.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name Province, Country of Residence and Position(s) with the Company	Periods During which Nominee has Served as a Director and/or Officer	Principal Occupation, Business or Employment for Last Five Years	Number of Common Shares Owned ⁽¹⁾
MAX PORTERFIELD B.C., Canada <i>President, Chief Executive Officer and Director</i>	CEO and President since June 1, 2014 and Director since May 26, 2014	CEO and President of the Company since June 2014, Resources and financial markets executive; Investor Relations Manager for Brazil Resources, June 2012 to May 2014; Investor Relations Manager for Uranium Energy Corp, March 2012 to May 2014.	181,109 (Direct)
MICHAEL MUZYLOWSKI B.C., Canada <i>Chairman and Director</i>	Director since April 21, 2011 and Chairman since February 21, 2012.	Mining Executive; Chief Executive Officer of Callinan Royalties Corporation from 1994 to July 13, 2011; Former CEO and President of the Company from April 11, 2011 to February 21, 2012, former Interim CEO and President of the Company from January 17, 2014 to June 1, 2014.	1,744,969 (Direct)
NICO CIVELLI⁽²⁾⁽³⁾ Singapore <i>Director</i>	Director since January 14, 2013	Singapore based manager of Clarion Finance Pte Ltd, a family office with international representation. Also serves as director for Pelleton Renewables Pte Ltd, VP Finance for Pacific LNG Operations Pte Ltd, director of Claren Energy Corp.	285,000 (Direct)
MICHAEL LOUIE⁽²⁾⁽³⁾ B.C., Canada <i>Director</i>	Director since October 23, 2013	Chartered Professional Accountant; Principal D+H Group LLP, Chartered Professional Accountants.	688,944 (Direct & Indirect)
KEITH MINTY⁽²⁾⁽³⁾ Ontario, Canada <i>Director</i>	Director since September 12, 2014.	BSc. in mining engineering, MBA, ; Chief Operating Officer of Aurvista Gold Corporation; Director of Auryn Resources Inc., Director of DNI Metals Inc. Director of Rover Metals Corp.; Former President and CEO of Hunter Bay Minerals; Senior VP of Stope Capital Advisors Inc.; COO of Thani Emirates Resource Holdings Ltd., 2008 to 2013.	30,000 (Direct)

Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at September 13, 2017, based upon information furnished to the Company by the individual directors.
- (2) Member of the Corporate Governance and Compensation Committee.
- (3) Member of the Audit Committee.

MANAGEMENT RECOMMENDS THE APPROVAL OF EACH OF THE NOMINEES LISTED ABOVE FOR ELECTION AS DIRECTORS OF THE COMPANY UNTIL THE NEXT ANNUAL GENERAL MEETING.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

Other than as disclosed below, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer, chief financial officer of any company that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Information Circular, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Hunter Bay Minerals Plc

Keith Minty was the CEO, President and director of Hunter Bay Minerals plc (“Hunter Bay”). On May 8, 2015, the British Columbia Securities Commission cease traded Hunter Bay for failure to file its annual financial statement and management discussion and analysis (the “Annual Filings”). As of the date of this Information Circular, Hunter Bay had not yet filed the Annual Filing with the applicable securities regulators.

Bankruptcies

To the knowledge of management of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, with the ten years preceding the date of this Information Circular:

- (a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 made a proposal under any legislation relating to bankruptcies or insolvency; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

Penalties or Sanctions

To the knowledge of management of the Company, no director or officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the knowledge of management of the Company, no director or officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company or a

personal holding company of any such persons has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 a director or officer.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This discussion describes the Company's compensation program for each person who has acted as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, whose compensation was more than \$150,000 during the financial year ended September 30, 2016 (each a "Named Executive Officer").

Significant Elements

The significant elements of compensation awarded to the Named Executive Officers are a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors is solely responsible for determining compensation to be paid to the Company's Named Executive Officers. In addition, the Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

Cash Salary

In setting compensation rates for Named Executive Officers, the Company compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable corporations. The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

Option-Based Awards

The Company's Stock Option Plan is intended to emphasize management's commitment to growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Company's Stock Option Plan.

Summary Compensation Table

The following table sets forth information about compensation paid to, or earned by, the Company's Named Executive Officers during the fiscal years ended September 30, 2016, 2015 and 2014:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Max Porterfield, CEO	2016	160,000	-	349,549	-	-	-	33,143	542,692
	2015	120,000	-	-	-	-	-	68,118	188,118
	2014	40,000	-	47,865	-	-	-	13,665	101,530
Matthew Anderson, CFO ⁽¹⁾	2016	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-	-
Rebecca Moriarty, Former CFO ⁽¹⁾	2016	23,651	-	13,083	-	-	-	-	36,734
	2015	24,712	-	-	-	-	-	-	24,712
	2014	-	-	15,648	-	-	-	-	15,648

Notes:

- (1) Mr. Anderson was appointed as CFO of the Company on May 1, 2017.
- (2) Rebecca Moriarty is an employee of Malaspina Consultants Inc. ("Malaspina"). This amount consists of consulting fees paid to Malaspina, pursuant to a consulting agreement between Malaspina and the Company.

Incentive Plan Awards

The following table sets forth all outstanding share based and option based awards to the Named Executive Officers as at the fiscal year ended September 30, 2016.

Name	Option Based Awards				Share Based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Max Porterfield, CEO	700,000	0.29	Sept. 5, 2019	52,500	-	-
	300,000	0.33	Dec. 18, 2020	10,500	-	-
	1,000,000	0.38	Aug. 8, 2021	-	-	-
Matthew Anderson, CFO	-	-	-	-	-	-
Rebecca Moriarty, Former CFO	50,000	0.29	Sept. 5, 2019	3,750	-	-
	25,000	0.29	Sept. 12, 2019	1,875	-	-
	25,000	0.33	Dec. 18, 2020	875	-	-

Note:

- (1) Subsequent to the fiscal year ended September 30, 2016, the Company granted Mr. Anderson options to purchase 100,000 common shares at \$0.32 per share until August 21, 2022.

Termination and Change of Control Benefits

Other than as set forth below, the Company has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.

The Company entered into an employment agreement (the "Employment Agreement") with Max Porterfield whereby Mr. Porterfield is paid a salary of \$120,000 per annum (the "Annual Salary") in consideration of providing his services as Chief Executive Officer and President to the Company. If Mr. Porterfield is terminated or resigns as a result of a change of control, Mr. Porterfield will receive a severance payment equal to two years of the Annual Salary.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the compensation paid to the Company's directors for the fiscal year ended September 30, 2016:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Nico Civelli	30,000	-	24,822	-	-	-	54,822
Michael Louie	-	-	24,822	-	-	-	24,822
Keith Minty	-	-	24,822	-	-	-	24,822
Mike Muzylowski	36,000	-	37,233	-	-	1,500	74,733

Incentive Plan Awards for Directors

The following table sets forth all outstanding share based and option based awards to the directors of the Company as at the fiscal year ended September 30, 2016.

Name	Option Based Awards				Share Based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Mike Muzylowski	400,000	0.30	Aug. 8, 2018	26,000	-	-
	150,000	0.33	Dec. 18, 2020	5,250	-	-
Nico Civelli	150,000	0.30	Aug. 8, 2018	9,750	-	-
	50,000	0.42	May 7, 2019	-	-	-
	150,000	0.29	Sep. 5, 2019	11,250	-	-
	100,000	0.33	Dec. 18, 2020	3,500	-	-
Michael Louie	150,000	0.37	Oct. 28, 2018	-	-	-
	50,000	0.42	May 7, 2019	-	-	-
	100,000	0.33	Dec. 18, 2020	3,500	-	-

Name	Option Based Awards				Share Based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Keith Minty	200,000	0.29	Sep. 12, 2019	15,000	-	-
	100,000	0.33	Dec. 18, 2020	3,500	-	-

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all our equity compensation plans as of September 30, 2016. As at September 30, 2016, our equity compensation plan consisted of our Stock Option Plan, which was approved by the Company's shareholders at the Company's Annual General Meeting held on October 25, 2016.

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 (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	6,110,000	\$0.34	109,447
Equity compensation plans not approved by security holders	-	-	-
Total	6,110,000	\$0.34	109,447

APPOINTMENT OF AUDITOR

Shareholders will be asked to vote for the appointment of PricewaterhouseCoopers LLP to serve as auditors of the Company to hold office until the next annual general meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors of the Company to fix the remuneration to be paid to the auditors. PricewaterhouseCoopers LLP was appointed as the Company's auditor on September 8, 2016.

MANAGEMENT RECOMMENDS SHAREHOLDERS TO VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSE COOPERS LLP AS THE COMPANY'S AUDITORS UNTIL THE NEXT ANNUAL GENERAL MEETING AT A REMUNERATION TO BE FIXED BY THE COMPANY'S BOARD OF DIRECTORS.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. APPROVAL OF AMENDED STOCK OPTION PLAN

The Company's stock option plan (the "Stock Option Plan") in its current form, last received shareholder approval, on October 25, 2016. For a description of the principal terms of the Stock Option Plan, see

“Compensation Discussion and Analysis - Stock Option Plan” below. On September 20, 2017, the Company’s Board of Directors approved the amendments to the Stock Option Plan described below, which are subject to shareholder approval. At the Meeting, Shareholders will be asked to consider a resolution to approve amendments to the Stock Option Plan (i) to change the existing Stock Option Plan from a “rolling” plan to a “fixed” plan, (ii) to approve an aggregate fixed number of Common Shares that may be issued upon the exercise of all options granted under the plan at 15,659,741 Common Shares reserved for outstanding options under the Stock Option Plan as at the Record Date, and (iii) to authorize the Company to grant such number of options under the Stock Option Plan that could result in a number of Common Shares issuable pursuant to options granted to (a) insiders exceeding 10% of the Company’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted, or (b) any one eligible person (and companies wholly owned by that person) in a twelve month period exceeding 5% of the Company’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted change certain limits to the number of Common Shares that can be reserved for issuance for specific grants (the “Amended Stock Option Plan”).

The Stock Option Plan is currently a “rolling” plan, under which the maximum number of Common Shares reserved for issuance is a percentage of the issued and outstanding Common Shares from time to time.

The Company, on the recommendation and approval of the Board, is proposing to amend the Stock Option Plan to change the Stock Option Plan from a “rolling” plan to a “fixed” plan, under which the number of Common Shares available for issuance is fixed and there is no replenishment of the number of Common Shares that may be issued upon the exercise of options granted thereunder.

Under the current terms of the Stock Option Plan and before the implementation of the proposed amendment, as of the Record Date, 7,080,000 Common Shares were issuable in respect of currently outstanding options (representing approximately 9.4% of the issued and outstanding Common Shares), leaving 749,840 Common Shares available for issuance under the Stock Option Plan. Further, the Stock Option Plan prescribes various limits to the number of Common Shares that can be reserved for issuance for specific grants made under the Stock Option Plan. These limits include: (a) subject to receipt of disinterested shareholder approval, the aggregate number of Common Shares reserved for issuance under options granted to any one eligible person shall not exceed 5% of the issued and outstanding Common Shares in any twelve month period; (b) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant or an individual engaged in Investor Relations Activities (as such term is defined by the policies of the TSXV) shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period; and (c) subject to receipt of disinterested shareholder approval, the number of Common Shares reserved for issuance under options granted to related persons shall not exceed 10% of the issued and outstanding Common Shares (collectively, the “Existing Limits”).

If the amendment to the Stock Option Plan is approved, a maximum number of 15,659,741 Common Shares will be available for issuance under the Amended Stock Option Plan: (i) 7,080,000 Common Shares reserved for issuance in respect of currently outstanding options granted under the Stock Option Plan (representing approximately 9.0% of the issued and outstanding Common Shares); and (ii) 8,579,741 Common Shares available for issuance in respect of options that may be granted under the Amended Stock Option Plan and/or RSUs under the RSU Plan (representing approximately 11.0% of the issued and outstanding Common Shares). Under the Amended Stock Option Plan, the Existing Limits will be amended and the limits to the number of Common Shares which can be reserved for issuance for grants made under the Amended Stock Option Plan shall be limited to: (a) the aggregate number of Common Shares reserved for issuance under options issued to insiders may exceed 10% of the issued and outstanding Common Shares; (b) the aggregate number of Common Shares reserved for issuance under options may exceed 5% of the issued and outstanding Common Shares in any twelve month period; (c) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant of the Company, or any subsidiary of the Company, shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period, and (d) the aggregate number of Common

Shares reserved for issuance under stock options granted to any one employee of the Company or any subsidiary of the Company, which is engaged in Investor Relation Activities (as such term is defined in the policies of the TSXV) shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period. A copy of the proposed Amended Stock Option Plan can be obtained by contacting the Company's Corporate Secretary.

The proposed amendments to the Stock Option Plan are necessary for the Company to be able to continue implementing its compensation plan and provide the Company with the flexibility to award grants under the Amended Stock Option Plan to achieve appropriate equity incentives.

The Amended Stock Option Plan must be approved by a majority of the votes cast by all Shareholders at the Meeting who are not Insiders to whom stock options may be granted under the Stock Option Plan and their associates (the "Disinterested Shareholders").

Accordingly, Disinterested Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "Amended Stock Option Plan Resolution"):

RESOLVED THAT:

1. The amended stock option plan (the "Amended Stock Option Plan") of Callinex Mines Inc. (the "Company"), as described in the management information circular dated September 20, 2017, is hereby approved.
2. The board of directors of the Company be and is hereby authorized on behalf of the Company to make any amendments to the Amended Stock Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Company, in order to ensure the adoption and efficient function of the Amended Stock Option Plan; and
3. any director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Amended Stock Option Plan.

MANAGEMENT RECOMMENDS THE APPROVAL OF THE AMENDED STOCK OPTION PLAN.

2. APPROVAL OF RESTRICTED SHARE UNIT PLAN

On September 20, 2017, the Board adopted a restricted share unit plan (the "RSU Plan"), which provides for the grant of restricted share units ("RSUs") to directors, officers, consultants and employees of the Company and its subsidiaries and affiliates (each, a "Participant"). Upon vesting, the RSUs provide for the issuance of common shares to the Participants as described below. Together with the Amended Stock Option Plan, the total number of shares issuable under the RSU Plan and Stock Option Plan cannot exceed 15,659,741 shares of the Company.

The Board has determined that the implementation of the RSU Plan is necessary in order for the Company to effectively retain, motivate and reward its employees, including the Named Executive Officers (as defined herein), for their performance and contribution to the Company's long-term success.

Description of RSU Plan

The following is a summary of the material terms of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan:

1. The RSU Plan shall be administered by the Compensation Committee of the Board or any other committee of the Board, as constituted from time to time, which may be appointed by the Board to, interpret, administer and implement the RSU Plan (the "Committee"). In the event no Committee has been constituted by the Board, the Board shall be responsible for interpreting, administering and implementing the RSU Plan. Subject to the limits imposed by the RSU Plan, the Committee has the power, to: (i) award RSUs; (ii) determine the terms under which RSUs are granted; (iii) interpret the RSU Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the RSU Plan; and (iv) make all other determinations and take all other actions in connection with the implementation and administration of the RSU Plan.
2. The RSU Plan together with the Amended Stock Option Plan reserves for issuance a maximum of 15,659,741 Common Shares. There is currently 7,080,000 Common Shares issuable in respect of currently outstanding options. As a result, a total of 8,579,741 Common Shares will be available for issuance in respect of RSUs and/or stock options if the Amended Stock Option Plan and RSU Plan is approved by the shareholders;
3. RSUs may be granted to directors, officers, employees and consultants under the RSU Plan;
4. Under the RSU Plan and the Amended Stock Option Plan, the maximum number of RSUs that may be granted to any one eligible person, together with all of the Company's other share-based compensation arrangements, within any twelve month period may exceed 5% of the outstanding Common Shares at the time of grant.
5. The number of Common Shares reserved for issue to Insiders of the Company, together with all of the Company's other share-based compensation arrangements, in aggregate, may exceed 10% of the issued and outstanding Common Shares at the time of grant; and
6. The number of Common Shares reserved for issue to any one Participant of the Company under the RSU Plan and Amended Stock Option Plan may not exceed 2% of the issued and outstanding Common Shares within the last 12-month period.
7. Vested RSUs will be automatically redeemed by the Company for Common Shares (with each full RSU to be redeemed for one Common Share).
8. Pursuant to the RSU Plan, there are no mandatory vesting provisions. At the discretion of the Board (or a committee thereof), RSUs granted under the RSU Plan may contain vesting conditions.
9. All RSUs will be exercisable only by the person to whom they are granted and are non-assignable and non-transferable.
10. Unless otherwise determined by the Board, in its sole discretion, in the event that a Participant's employment, engagement, officership, or directorship is terminated for any reason, each RSU which has not vested as of the date thereof shall be cancelled and become null and void immediately upon such termination.
11. Upon a change of control, the Company has the power to declare all RSUs at that time outstanding vested in full.
12. The RSU Plan contains provisions for adjustment in the number of Common Shares issuable on redemption of RSUs in the event of a share consolidation, split, reclassification or other relevant change in the

Common Shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

13. If the redemption date for an RSU occurs during a black out period applicable to such participant, then the redemption date will be extended to the close of business on the tenth business day following the expiration of such period.

14. Shareholder approval is required for the following amendments to the RSU Plan:

- (a) an amendment to remove or exceed the limits on participation under the plan;
- (b) an increase to the aggregate percentage of securities issuable under the plan; and
- (c) an amendment granting additional powers to the Board to amend the plan without shareholder approval.

15. Subject to the policies of the TSXV, the RSU Plan may be amended without shareholder approval for the following:

- (a) amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSXV, including with respect to the treatment of RSUs granted under the RSU Plan;
- (b) amendments respecting the administration of the RSU Plan;
- (c) amending RSUs under the RSU Plan, including with respect to advancing the date on which any RSU may vest, assignability and the effect of termination of a Participant, provided that such amendment does not adversely alter or impair any RSU previously granted to a Participant without the consent of such Participant;
- (d) minor changes of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the RSU Plan, or to correct or supplement any provision of the RSU Plan that is inconsistent with any other provision of the Plan; and
- (e) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable law or the applicable rules of the TSXV.

The Board has determined that the RSU Plan is in the best interests of the Company and its Shareholders in order for the Company to continue to secure and retain key personnel and to provide additional motivation to such persons to exert their best efforts on behalf of the Company.

At the Meeting, Disinterested Shareholders will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the RSU Plan:

RESOLVED THAT:

- 1. the restricted share unit plan (the "RSU Plan") of the Company as described in the management information circular of the Company dated September 20, 2017 is hereby ratified, confirmed and approved;
- 2. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and

3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the RSU Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

MANAGEMENT RECOMMENDS THE APPROVAL OF THE RSU PLAN.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 – *Audit Committees*, the Company is required to disclose certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors.

The Audit Committee Charter

The Company's audit committee charter is set out in Schedule "A" of this Information Circular.

Composition of the Audit Committee

The following persons are members of our audit committee:

Nico Civelli	Independent	Financially Literate
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Michael Louie	Independent	Financially Literate
Keith Minty	Independent	Financially Literate

Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls.

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/her responsibilities as an Audit Committee member is as follows:

Nico Civelli: Mr. Civelli is a Zurich-based independent financial advisor who provides financial consultancy services through his wholly-owned company Niconsult GmbH. In this capacity, Mr. Civelli works closely with several leading European and North American private asset management companies and funds, which specialize in the natural resources sector. Mr. Civelli serves as director and VP Finance for Terra Nova Energy Ltd., and as VP Finance of Pacific LNG (Singapore). Mr. Civelli studied at the Universities of Zurich and St. Gallen in Switzerland before completing a Master's Degree in Applied Finance at the University of Southern Queensland in Australia.

Michael Louie: Mr. Louie is a principal in D+H Group LLP, a Vancouver based Chartered Professional Accounting Firm. Mr. Louie has chartered professional accountant experience working on behalf of private companies and First Nations groups as well as a familiarity with International Financial Reporting Standards as they apply to exploration stage public companies. He holds a Bachelor of Commerce and Masters of Business Administration degree from the University of British Columbia.

Keith Minty: Mr. Minty has served as an executive director and director on a number of junior exploration mining companies and has the ability to understand financial statements for junior mining companies.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not

included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as follows:

	Year Ended September 30, 2016	Year Ended September 30, 2015
Audit Fees	25,500	26,775
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	<u>\$25,500</u>	<u>\$26,775</u>

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board of Directors is currently comprised of five (5) members. Securities legislation recommends that the Board of Directors of a public company be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director’s independent judgment. Neither Max Porterfield nor Mike Muzylowski are independent directors because of their respective positions as CEO and Chairman of the Company.

Directorships

The following current directors of the Company are directors and/or officers of other reporting issuers:

Name of Director of the Company	Names of Other Reporting Issuers
Max Porterfield	None.
Mike Muzylowski	Canterra Minerals Corporation
Nico Civelli	Claren Energy Corp.
Michael Louie	None.
Keith Minty	Aurvista Gold Corporation Auryn Resources Inc.

Orientation and Continuing Education

The Board of Directors provides an overview of the Company’s business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company’s records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

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

Nomination of Directors

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

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

Compensation

The Board of Directors conducts reviews with regard to the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

Other Board Committees

The Board of Directors has no other committees other than the Audit, Corporate Governance and Compensation Committees.

Assessments

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Shareholders may contact the Company at its office by mail at 1555 - 555 West Hastings Street, Vancouver, BC, V6B 4N6, to request copies of the Company's financial statements and related Management's Discussion

and Analysis (the “MD&A”). Financial information is provided in the Company’s audited financial statements and MD&A for the years ended September 30, 2016 and 2015.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Company.

Dated at Vancouver, British Columbia as of September 20, 2017.

ON BEHALF OF THE BOARD

CALLINEX MINES INC.

“Max Porterfield”

Max Porterfield
President and Chief Executive Officer

CALLINEX MINES INC.

AUDIT COMMITTEE CHARTER

1. Purpose of the Committee

- 1.1 The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

2. Members of the Audit Committee

- 2.1 At least one Member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- 2.2 The Audit Committee shall consist of no less than three Directors.
- 2.3 At least one Member of the Audit Committee shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

3. Relationship with External Auditors

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4. Non-Audit Services

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

5. Appointment of Auditors

- 5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
- 5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6. Evaluation of Auditors

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7. Remuneration of the Auditors

- 7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.
- 7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8. Termination of the Auditors

- 8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9. Funding of Auditing and Consulting Services

- 9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

10. Role and Responsibilities of the Internal Auditor

- 10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11. Oversight of Internal Controls

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

12. Continuous Disclosure Requirements

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13. Other Auditing Matters

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

14. Annual Review

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15. Independent Advisers

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.