

MUSTANG MINERALS CORP.

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 7, 2017

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT APRIL 28, 2017

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by the management and the Directors of **MUSTANG MINERALS CORP.** (the “**Corporation**”) for use at the annual meeting of the shareholders of the Corporation (the “**Meeting**”) to be held at **Blaney McMurtry LLP, 2 Queen Street East, Suite 1500, Toronto, ON M5C 3G5, at 11:00 a.m. (Toronto Time) on June 7, 2017** for the purposes set out in the foregoing Notice of Meeting, and at any adjournment or adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the Directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation (“**Common Shares**”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies there from. The cost of the solicitation will be borne directly by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Notice and Access Process

The Corporation has decided to use the notice and access model (“**Notice and Access**”) provided for under recent amendments to National Instrument 54-101 for the delivery of the Circular, financial statements for the year ended December 31, 2015 and December 31, 2016 and Management’s Discussion and Analysis (collectively, the “**Meeting Materials**”) to shareholders for the Meeting. The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a notice (“**Notice**”) with information on the Meeting date, location and purpose, as well as information on how they may access the Meeting Materials electronically.

As provided in the Notice, the Meeting will be held on June 7, 2017 at 11:00 a.m. (Eastern Daylight Time) at Blaney McMurtry LLP, 2 Queen Street East, Suite 1500, Toronto, ON M5C 3G5, for the purposes described under the title - “Particulars of Matters to be Acted Upon”.

The record date for the Meeting is April 28, 2017. The record date is the date for determining the shareholders entitled to receive notice of, and to vote at, the Meeting and any adjournment. The deadline for receiving duly completed and executed forms of proxy or submitting your proxy by telephone or over the internet is by 11:00 am (Eastern Daylight Time) on June 5, 2017 or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting.

The Corporation urges shareholders to review this Circular before voting.

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date this Circular was filed on SEDAR. Registered shareholders may make their request through the Corporation's website, www.mustangminerals.com, or by calling 1-855-813-6052 ext 2.

Non-Registered Shareholders

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the "**Meeting Materials**") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service**

companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Management Information Circular are Directors and/or officers of the Corporation. A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Trans Canada Transfer Inc. in time for use at the Meeting in the manner specified in the Notice of Meeting.

A registered shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use 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 officer or attorney thereof properly authorized, either: (i) at the principal office of the Corporation, at Suite 305, 3335 Yonge Street, Toronto, Ontario, M4N 2M1, at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment thereof, (ii) with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1, at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney of the shareholder of the Corporation authorized in writing or, if the shareholder of the Corporation is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature

provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

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

None of the Directors or Senior Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors, the matters set out under the heading "Particulars of Other Matters to be Acted On", and as otherwise disclosed herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding as of the date hereof 256,475,301 fully paid and non-assessable common shares of the Corporation. Each common share carries the right to one (1) vote per share. Each holder of outstanding common shares of record at the time of the close of business on April 28, 2017 (the "record date") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of common shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his common shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the Corporation that he owns such shares in which case the transferee is entitled to vote his common shares at the Meeting.

To the knowledge of the Directors and Senior Officers of the Corporation, only the following person beneficially owns, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation which have the right to vote in all circumstances.

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Outstanding Common Shares of the Corporation
Western Areas Ltd.	record and beneficially	50,857,675	19.80%

PARTICULARS OF MATTERS TO BE ACTED UPON

A. GENERAL MATTERS

Election of Directors

The articles of the Corporation provide that the Board of Directors of the Corporation shall consist of a minimum of three (3) and a maximum of nine (9) directors. The current Board of Directors consists of three (3) members. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected unless, prior thereto, he resigns or his office becomes vacant by death or other cause.

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Committees.

Name and Position with the Corporation	Principal Occupation	Director Since	Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof ⁽¹⁾
Robin E. Dunbar ⁽²⁾ President and Director	President and Director	1996	6,820,891
Edward J. Munden ⁽²⁾ Director	Director, Capital House Inc., a private investment company	1999	75,000
Thomas W. Meredith ⁽²⁾ Director	President, VG Gold Corp., a gold exploration company	1996	340,000

- Notes (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the Directors individually.
- (2) Denotes member of Audit Committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Corporation.

No proposed director of the Corporation is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

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

No proposed director of the Corporation has, within the 10 years before the date of this Information 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.

The above information was provided by management of the Corporation.

Appointment and Remuneration of Auditors

Management of the Corporation is proposing to appoint UHY McGovern, Hurley, Cunningham LLP, Chartered Accountants as auditors of the Corporation for the current fiscal year.

In the absence of contrary directors, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of the resolution approving the appointment of UHY McGovern, Hurley, Cunningham LLP, Chartered Accountants, as the auditors of the corporation for the current fiscal year and authorizing the board to fix their remuneration.

Approval of Stock Option Plan

The Company maintains an incentive stock option plan for the directors, officers, employees, consultants and other service providers of the Corporation which was first approved at an annual meeting of shareholders of the Corporation on September 22, 2009 (the “**Plan**”). The stock option plan is considered a rolling plan, in that the maximum number of options that may be outstanding at any one time may not exceed 10% of the issued common shares of the Corporation. The policies of the TSX Venture Exchange require the shareholders of the Corporation to annually adopt a rolling option plan. Accordingly, shareholders are being asked to approve the incentive stock option plan for directors, officers and employees of the Corporation (the “**Plan**”).

The purpose of the Plan is to attract, retain and motivate management and staff by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The Plan provides that the number of common shares of the Corporation under option at any one time will not exceed 10% of the issued and outstanding common shares of the Corporation at the time of the grant.

The Plan limits insider participation such that the number of common shares reserved for issuance and issuable to insiders within a one-year period under the Plan, and any other security based compensation arrangement, does not exceed 10% of the issued and outstanding common shares of the Corporation. The Plan does not provide for a maximum number of shares which may be issued to an individual pursuant to the Plan or any other share compensation arrangement. The options granted under the Plan are non-assignable and non-transferable. The directors of the Corporation have discretion to set the term of the options granted under the Plan. The exercise price of the options is the market price or higher of the common shares on the TSX Venture Exchange at the time of the grant.

Eligibility for participation in the Plan is restricted to directors, officers, employees, consultants, and other service providers (or their holding companies) of the Corporation. The board of directors fixes the vesting terms as it deems appropriate. Options issued under the Plan may be exercised during a period determined by the board of directors and are subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be a director/officer of the Corporation, or upon the retirement, permanent disability or death of an optionee. The Plan does not permit the Corporation to provide any financial assistance to the participants under the Plan.

The Plan provides that the board of directors may from time to time, by way of a resolution, amend or repeal the Plan and take all measures necessary or useful to the administration of the Plan, provided however that any amendment to the Plan shall be subject to the approval of all relevant regulatory authorities. The board of directors may make amendments to the Plan that it deems necessary or useful, without having to obtain shareholder approval. Such changes include, without limitation:

- (a) minor changes of a “house-keeping nature”;
- (b) amending Options including with respect to the option period (provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted and that the Option is not held by an insider), vesting period, exercise method and frequency, subscription price (provided that the Option is not held by an insider) and method of determining the subscription price, assignability and effect of termination of a participant’s employment or cessation of the participant’s directorship;
- (c) changing the class of participants eligible to participate under the Plan;
- (d) advancing the date on which any Option may be exercised or extending the expiration date of any Option, provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted; changing the terms and conditions of any financial assistance that may be provided by the Corporation to participants to facilitate the purchase of common shares under the Plan; and
- (e) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying common shares from the Plan reserve.

The Plan also provides that shareholder approval will be required in the case of (i) any amendment to the amendment provisions of the Plan, (ii) any increase in the maximum number of common shares issuable under the Plan, and

(iii) any reduction in the exercise price or extension of the option period benefiting an insider, in addition to such other matters that may require shareholder approval under the rules and policies of the TSX Venture Exchange.

In light of the Corporation's adoption of a new Plan, shareholders will be asked at the Meeting to approve all unallocated options, rights or other entitlements under the new Plan in addition to approving the new Plan. Each of these new approvals is a separate requirement, but both of which are addressed in a single resolution of the shareholders. Whether or not the resolution is approved, all options and other entitlements currently outstanding under the current stock option plan of the Corporation will remain in effect in accordance with their terms. If the resolution is not approved, previously granted options will not be available for re-allocation if they are cancelled prior to exercise.

The text of the Plan is attached hereto as Schedule "C". Disinterested shareholders are being asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. the Stock Option Plan of the Corporation be and it is hereby ratified, confirmed and approved;
2. all unallocated options issuable pursuant to the Stock Option Plan are hereby approved and authorized; and
3. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to give effect to this resolution."

The affirmative vote of a majority of the disinterested votes cast in respect thereof is required in order to pass such resolution.

In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of the resolution approving the stock option plan.

Ratification of Directors' and Officers' Acts

Shareholders of the Corporation are being asked to pass a resolution to ratify, confirm and approve all the acts and proceedings of the directors and officers of the Corporation made since the last annual meeting of shareholders on February 3, 2016 to date including those disclosed or referred to in the Corporation's Minute Books, records and other documentation, in the financial statements for the Corporation and in information disseminated to the shareholders by the Corporation.

"BE IT RESOLVED THAT:

1. Notwithstanding (i) any failure to properly convene, proceed with, or record any meeting of the Board of Directors of shareholders of the Corporation for any reason whatsoever, including, without limitation, the failure properly to waive or give notice of a meeting, hold a meeting in accordance with a notice of a meeting, have a quorum present at a meeting, sign the minutes of a meeting or sign a ballot electing a slate of Directors; or (ii) any failure to pass any resolution of the directors or shareholders of the Corporation or any by-law of the Corporation for any reason whatsoever, all by-laws, approvals, appointments, elections, resolution, contracts, acts and proceedings enacted, passed, made, done or taken since the last annual meeting of the shareholders held on February 3, 2016 (the "**Annual Meeting**") as set forth in the minutes of the meetings, or resolutions of the Board of Directors or shareholders of the Corporation or other documents contained in the minute book and record book of the Corporation, or in the financial statements of the Corporation, and all action heretofore taken in reliance upon the validity of such minutes, documents and financial statements, are hereby sanctioned, ratified, confirmed and approved.

2. Without limiting the generality of the paragraph 1 above, all by-laws, resolutions, contracts, acts and proceedings of the Board of Directors of the Corporation enacted, made, done or taken since the Annual Meeting as set forth or referred to in the minute and record book of the Corporation or in the financial statements of the Corporation are hereby approved, ratified and confirmed.”

The affirmative vote of a majority of the votes cast in respect thereof is required in order to pass such resolution.

In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of the resolution ratifying, confirming and approving the acts and proceedings of the directors and officers of the corporation.

B. SPECIAL MATTERS

Consolidation of Common Shares

The Board of Directors of the Corporation have determined that given the current economic situation of the resource sector and the difficulty of obtaining financing for junior resource issuers it would be beneficial to the Corporation to have the ability to consolidate its Common Shares, if deemed necessary by the Board of Directors, in order to facilitate the ability of the Corporation to raise working capital.

Shareholders of the Corporation are being asked to pass a special resolution, the text of which is set out below which would authorize the Corporation to amend its articles of incorporation (the “**Articles**”) to consolidate each of the issued and outstanding Common Shares without par value of the Corporation on the basis of an exchange ratio of up to ten (10) Common Shares without par value of the Corporation, or such lesser amount as the directors of the Corporation may determine, into one (1) common share without par value of the Corporation (10:1).

In the event the shareholders pass the special resolution to consolidate the Common Shares of the Corporation, and if the Board of Directors determines to proceed with the consolidation at the highest ratio of 10:1, the presently issued and outstanding 256,475,301 Common Shares will be consolidated into approximately 25,647,530 Common Shares. If the consolidation will otherwise result in a shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued and a shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidation Common Shares will have the same attributes as the existing Common Shares.

In order to pass the special resolution amending the Articles, at least two-thirds of the votes cast at the meeting of the holders of Common Shares must be voted in favour of the resolution. If the resolution amending the Articles does not receive the requisite approval, the Corporation will continue with its present share capital.

Accordingly, shareholders will be asked to approve the following resolution:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of incorporation of the Corporation be amended to consolidate each of the issued and outstanding common shares without par value of Mustang Minerals Corp. (the “**Corporation**”) on the basis of an exchange ratio of up to ten (10) common shares without par value of the Corporation, or such lesser amounts as the directors of the Corporation may determine in their sole discretion, into one (1) common share without par value of the Corporation (10:1); in the event the consolidation would result in a shareholder of the Corporation holdings a fraction of a share a shareholder shall not receive a whole share of the Company for each such fraction.
2. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and they are hereby authorized and directed to revoke this resolution at any time prior to the issue of a certificate of amendment giving effect to the articles of amendment and to determine not to proceed with the amendment of the Articles of Incorporation of the Corporation without further approval of the shareholders of the Corporation.

3. Any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The board of directors recommends that the Corporation’s shareholders vote FOR the special resolution to amend the Articles of the Corporation.

Proxies received in favour of management will be voted for the approval of the amendment to the Articles for the consolidation of the Common Shares, unless a shareholder has specified in the proxy that his or her shares are to be voted against such resolution.

Settlement of Debt

Subject to regulatory approval, the Board of Directors is also proposing to settle certain outstanding debts of the Corporation owed to Directors and Officers of the Corporation for management fees by the issuance of common shares. The TSX Venture Exchange (“TSXV”) requires that, when issuing Common Shares to an Insider (as that term is defined in the policies of the TSXV) in settlement of management fees, disinterested shareholder approval must be obtained.

Presently, the Corporation is proposing to issue the number of Common Shares as permitted by the TSXV in satisfaction of up to \$120,000 of accrued indebtedness owed to directors and officers of the Corporation. The Corporation is currently accruing \$4,750 a month in management fees of the total of \$9,500 incurred each month with respect to management fees for the President and Chief Financial Officer.

Management does not have any alternative plans in the event shareholder approval is not granted. In order to approve the resolution the majority of the votes cast at the meeting, without taking into consideration the 7,235,891 Common Shares held by the Insiders of the Corporation and their associates, must be voted in favour of the resolution. In the event approval is not obtained, the indebtedness of the Corporation to its Directors and Officers will continue.

Accordingly, shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

1. The Board of Directors of the Corporation be and they are hereby authorized and directed to issue that number of common shares as may be approved by the TSX Venture Exchange to settle indebtedness owing to Insiders of the Corporation as described in the Management Information Circular of the Corporation.
2. Any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

Proxies received in favour of management will be voted for the approval of the issuance of common shares in satisfaction of the indebtedness to the directors and officers of the Corporation, unless a shareholder has specified in the proxy that his or her shares are to be voted against such resolution.

Settlement of Contingent Debt

Subject to regulatory approval, the Board of Directors is also seeking shareholder approval to authorize the issuance of Common Shares to settle liability arising from an audit by Canada Revenue Agency of the flow-through expenditures

of the Corporation. The Corporation is obligated to reimburse certain subscribers for amounts pursuant to the subscription agreements for the flow-through investments in the Corporation. The Board of Directors of the Corporation estimates that the aggregate total of such liability which may need to be settled by the issuance of shares may be up to \$600,000. The Corporation is proposing to settle a current portion of the liability through the issuance of Common Shares to affected subscribers. The Board of Directors is seeking approval from shareholders not including Insiders of the Company to authorize the Board of Directors to issue up to 17,532,500 Common Shares which may be approved by the TSXV in part or full satisfaction of up to \$350,650 of such indebtedness, in its sole discretion.

Management does not have any alternative plans in the event shareholder approval is not granted. In order to approve the resolution the majority of the votes cast at the meeting must be voted in favour of the resolution.

Accordingly, shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

1. The Board of Directors of the Corporation be and they are hereby authorized and directed to issue up to 17,532,500 Common Shares at an issue price of \$0.02 as may be approved by the TSX Venture Exchange to settle liabilities to subscribers arising from an audit by Canada Revenue Agency of the flow-through expenditures of the Corporation.
2. The Board of Directors be and they are hereby authorized to determine the number of common shares to be issued and the amount of debt to be satisfied pursuant to the resolution in their sole discretion.
3. Any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The board of directors recommends that the Corporation’s shareholders vote FOR the resolution authorizing the issuance of Common Shares in satisfaction of the potential liability to certain shareholders.

Proxies received in favour of management will be voted for the approval of the authorization of issuance of common shares in satisfaction of potential liability to certain shareholders, unless a shareholder has specified in the proxy that his or her shares are to be voted against such resolution.

Other Business

The Corporation knows of no matter to come before the annual and special meeting of shareholders other than the matters referred to in the notice of meeting.

EXECUTIVE COMPENSATION

Definitions

In this section:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The Corporation's Board of Directors, through the Compensation Committee, is responsible for the compensation program for the Corporation's NEOs.

The compensation program's objectives are:

- (a) to attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future oil and gas exploration assets, thereby creating shareholder value; and
- (b) to provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation's NEOs consists of the following:

- (a) a base salary (for certain NEOs); and
- (b) long term incentive in the form of incentive stock options.

The Corporation does not provide the NEOs with any personal benefits, nor does the Corporation provide any additional compensation to its NEOs for serving as directors of the Corporation, other than the granting to them from time to time of incentive stock options under the Corporation's Incentive Stock Option Plan.

The Compensation Committee, with the approval of the board of directors as a whole determines the level of compensation in respect of the Corporation's senior executives. There were no long-term incentive awards other than options made to the Named Executive Officers of the Corporation during the December 31, 2015 or December 31, 2016 financial year. There are no pension plan benefits in place for the named executive and none of the Named Executive Officers, senior officers or directors of the Corporation is indebted to the Corporation. In addition, there are no plans in place with respect to the Named Executive Officers for termination of employment or change in responsibilities.

Option-based Awards

The Corporation has in place a Stock Option Plan (the "**Plan**") for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation. See "*Stock Option Plan*" under *Securities Authorized for Issuance under Equity Compensation Plans*" below for details of the Plan. (A copy of the Plan will also be available for review at the Meeting.)

There were no options granted under the Plan during the fiscal year ended December 31, 2015 or December 31, 2016.

Summary Compensation Table

Executive compensation is required to be disclosed for each Named Executive Officer. The following table and notes thereto states the name of each Named Executive Officer, their annual compensation consisting of salary, bonus and other annual compensation, and long term compensation, including stock options paid, for each of the three most recently completed financial years of the Corporation.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Robin E. Dunbar President and CEO	2016	90,000 ⁽¹⁾	0	0	0	N/A	N/A	0	90,000
	2015	90,000 ⁽¹⁾	0	0	0	N/A	N/A	0	90,000
	2014	90,000	0	0	0	N/A	N/A	0	90,000
Rodger Roden CFO	2016	24,000 ⁽²⁾	0	0	0	N/A	N/A	0	24,000
	2015	24,000	0	0	0	N/A	N/A	0	24,000
	2014	28,500	0	0	0	N/A	N/A	0	28,500
Carey Galeschuk VP Exploration	2016	-	-	-	-	N/A	N/A	-	-
	2015	-	-	-	-	N/A	N/A	-	-
	2014	64,387 ⁽⁴⁾	0	0	0	N/A	N/A	0	64,387

Notes:

(1) Paid to a management company controlled by Mr. Dunbar. \$45,000 was accrued.

(2) \$12,000 was accrued.

(3) The amounts in this column represent the fair value of stock options which is estimated on the date of the grant using a Black-Scholes option pricing model.

(4) Mr. Galeschuk ceased to be an NEO of the Corporation in 2014.

Narrative Discussion

The Corporation currently has a verbal consulting agreement for the provision of the services of Robin E. Dunbar, President and CEO with fees payable monthly and no set termination provisions. Annual compensation is currently paid on a monthly basis at the annual rate of \$90,000 with \$45,000 on a cash basis and \$45,000 on an accrual basis.

The Corporation currently has a verbal consulting agreement for the provision of the services of Rodger Roden as Chief Financial Officer of the Corporation providing for payment of \$2,000 per month with \$1,000 paid in cash and \$1,000 on an accrual basis.

Outstanding Share-based awards and option-based awards

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Corporation's financial year ended December 31, 2016, including awards granted before this most recently completed financial year:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Robin E. Dunbar President	750,000	\$0.12	Feb 25, 2018	\$0	N/A	N/A
Rodger Roden CFO	200,000	\$0.12	Feb 25, 2018	\$0	N/A	N/A
Carey Galeschuk VP Exploration	400,000	\$0.12	Feb 25, 2018	\$0	N/A	N/A

⁽¹⁾ All options are for common shares of the Corporation.

Incentive Plan Awards - value vested or earned during the year

There were no incentive plan awards vested or earned by any NEO during the financial year end December 31, 2015 or December 31, 2016. The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2016.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Robin E. Dunbar President	NIL	NIL	NIL
Rodger Roden CFO	NIL	NIL	NIL
Carey Galeschuk VP Exploration	NIL	NIL	NIL

Narrative discussion

There were no re-pricings of stock options under the Plan or otherwise during the Corporation's completed financial year ended December 31, 2015 or 2016. No options were exercised during the fiscal year ended 2015 or 2016. The total number of options to purchase common shares that were outstanding at December 31, 2016 was 2,125,000.

Pension Plan Benefits

The Corporation has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Corporation also does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

The Corporation does not have any plan or arrangement with respect to compensation to its executive officers, which would result from the resignation, retirement or any other termination of employment of the executive officers'

employment with the Corporation and its subsidiaries or which would result from a change of control of the Corporation or a change in the executive officers' responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds \$100,000.

Director Compensation

The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. During the Corporation's completed financial year ended December 31, 2016, no stock options were granted to directors who are not NEOs. The following table shows options held by directors at the 2016 year end that were issued in years prior to 2016.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Edward J. Munden	250,000	\$0.12	Feb. 25, 2018
Thomas W. Meredith	250,000	\$0.12	Feb. 25, 2018

Director share-based awards, option based awards, and non-equity incentive plan compensation

The following table discloses all amounts of compensation provided by the Corporation to its directors who are not NEOs for the financial year ended December 31, 2016:

Name	Director's Fees	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 that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Edward J. Munden	NIL	N/A	N/A	N/A	NIL	N/A	N/A
Thomas W. Meredith	NIL	-N/A	N/A	N/A	NIL	N/A	N/A

No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement save and except through the granting of stock options under the Corporation's Stock Option Plan (the "**Plan**"). All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Corporation.

Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Corporation's compensation plans under which equity securities of the Corporation were authorized for issuance at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	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	2,125,000	\$0.12	23,522,530
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,125,000	\$0.12	23,522,530

Stock Option Plan

The Corporation has in place a Stock Option Plan (the “**Plan**”) for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation.

A summary of the material aspects of the Plan is as follows:

1. the Plan will be administered by the Corporation's Board of Directors or, if the Board so designates, Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is set at 10% of the issued and outstanding common shares of the Corporation;
3. following termination of an optionee’s employment, directorship, consulting agreement or other qualified position, the optionee’s option shall terminate upon the expiry of such period of time following termination, not to exceed 30 days;
4. an option granted under the Plan will terminate six months following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Corporation (the “**Outstanding Shares**”) in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
6. options may not be granted at prices that are less than the must not be lower than the market price of the securities at the time the option is granted;
7. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
8. in the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Corporation's current Plan is attached hereto as Schedule “C”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or executive officers of the Corporation, or any of their associates or affiliates, is or has been indebted to the Corporation since the commencement of the last completed fiscal year of the Corporation or to any other entity, which indebtedness is, or at any time since the commencement of the last completed fiscal year, has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Corporation, directors, proposed directors or officers of the Corporation, any shareholder who beneficially owns more than ten percent (10%) of the Common Shares of the Corporation, or any associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction, which has materially affected or would materially affect the Corporation other than as disclosed herein or in the financial statements of the Corporation for the fiscal year ended December 31, 2016. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transaction.

MANAGEMENT CONTRACTS

During 2016 and currently the Corporation has a verbal consulting agreement with Robin E. Dunbar, President and Chief Executive Officer with no defined termination provisions. The monthly consulting fee payable for 2015 and 2016 and currently is based on an annual rate of \$90,000 payable monthly of which 50% is paid in cash and 50% is accrued.

During 2016 the Corporation and currently has verbal consulting agreement with Rodger Roden as Chief Financial Officer of the Corporation, terminable on one month's notice. The monthly consulting fee payable is based on an annual rate of \$24,000. For 2015 the annual rate was payable in cash. The monthly consulting fee for 2016 and currently is paid in 50% cash and 50% accrued.

AUDIT COMMITTEE

Relationship with Auditors

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, to disclose annually in its information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

Audit Committee Charter

The Audit Committee Charter is annexed hereto as Schedule "A".

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three (3) directors. As defined in NI 52-110, all the audit committee members are "financially literate". Edward J. Munden, Robin E. Dunbar and Thomas W Meredith have the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year and the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approved Policies and Procedures

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services, other than the provisions of an Audit Committee resolution authorising the engagement of the Corporation's auditor for the purposes of preparing tax filings, and for the provision of assurances to third parties and related services, at the auditor's usual and customary rates. The Audit Committee will review the engagement of additional non-audit services as required.

External Auditor Service Fees paid during the year (by category)

	Year ended December 31, 2016	Year ended December 31, 2015
	(\$)	(\$)
a) Audit Fees ⁽¹⁾	15,000	15,000
b) Audit Related Fees ⁽²⁾	Nil	Nil
c) Tax Fees ⁽³⁾	Nil	Nil

- Notes: (1) Fees paid during the year for services provided in auditing the Corporation's annual financial statements.
(2) Fees not included in "audit fees" paid during the year to the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements.
(3) Fees paid during the year to the auditors for professional services rendered for tax compliance, tax advice and tax planning.

CORPORATE GOVERNANCE

National Instrument Policy 58-201 - "Corporate Governance Guidelines" (the "**Guidelines**") and National Instrument 58-101 - "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The Guidelines have replaced the guidelines previously set forth by the Toronto Stock Exchange. These non-prescriptive Guidelines deal with such matters as constitution and independence of boards of directors and board committees, their functions, the effectiveness and education of board members, and other means of ensuring sound corporate governance. The following is a summary of the Corporation's approach to corporate governance with reference to the Guidelines.

Board of Directors

The following table sets out the directors of the Corporation that are directors of other issuers that are reporting issuers (or their equivalent) in any Canadian jurisdiction or foreign jurisdiction:

Name of Director	Name of Reporting Issuer
Robin E. Dunbar	-
Edward J. Munden	Aquila Resources Inc.
Thomas W. Meredith	West Red Lake Gold Mines Inc.

The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 51-110 ("**NI 52-110**"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent

judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships. In addition, Section 1.5 of NI 52-110 sets out “additional independence requirements” that provide that executive officers of a shareholder who “controls” a company are considered to have a “material relationship” with the company and consequently are not independent directors.

The Board has determined that out of the three members of the Board, one member, Robin E. Dunbar, the President and CEO of the Corporation is not an independent director and that Edward J. Munden and Thomas W. Meredith are independent directors. The same people are proposed for re-election to the board.

Board Mandate

The Board of Directors assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through considering recommendations it receives from the Committees of the Board and from management. The Board of Directors approves all materials acquisitions, dispositions and financings and other significant matters outside the ordinary course of the Corporations’ business. The Corporation has adopted a code of business conduct which has been communicated to all consultants, employees and other service providers. The text of the Board Charter is annexed hereto as Schedule “B”.

Management is responsible for the day-to-day operations of the Corporation, and pursues Board approved strategic initiatives within the context of authorized business, capital plans and corporate policies. The President is expected to report to the Board on a regular basis on short-term results and long-term development activities.

The Board is specifically responsible for adoption of a strategic planning process, identification of principal risks and implementing risk-management systems, and succession planning.

Each director is elected annually by the shareholders and serves for a term that will end at the Corporation’s next annual meeting. The Board believes that three directors is a sufficient number to ensure the Board will be able to function independently of management, but that this number may need to be increased in the future. The Board has regularly scheduled quarterly meetings with special meetings to review matters when needed. The Board encourages its independent members to hold separate discussions regarding the Corporation to the extent such directors believe this is necessary.

Position Descriptions

The Board of Directors has not developed written position descriptions for the Chairman, the chairman of any Board committees or the Chief Executive Officer. The Board is of the view that given the size of the Corporation, the relatively frequent discussions between Board members and the CEO and senior management, and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors. Each of the members of the Board has had solid experience in the industry as well as has had experience in acting as a director of public or private companies, or both. The Corporation’s legal counsel is made available to the directors to assist them in better understanding what their legal responsibilities are.

Ethical Business Conduct

The Corporation has adopted a Code of Ethics for directors, officers, consultants and employees. The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealing with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules.

BOARD COMMITTEES

Audit Committee and Disclosure Committee

The Audit Committee is comprised of three members, Robin E. Dunbar, Edward J. Munden and Thomas W. Meredith, two of whom are independent directors. All of the members are financially literate.

The Audit Committee met four times last year. The mandate of the Audit Committee provides that its members shall meet at least quarterly prior to the release of the interim and annual financial results. The Board has approved a charter for the Audit Committee, a copy of which is attached as Schedule "A".

The Audit Committee also functions as the Disclosure Committee of the Board. The principal responsibilities of the Disclosure Committee consist of reviewing and implementing a communication policy for the Corporation and maintaining the integrity of the Corporation's internal control, management information and public disclosure systems.

Compensation Committee

The Compensation Committee is comprised of two members, Thomas W. Meredith and Edward J. Munden both of whom are independent directors. The principal responsibilities of the Compensation Committee consist of reviewing the compensation of the chief executive officer of the Corporation and other senior executives of the Corporation and providing recommendations to the Board for approval. The Board has approved a charter for the Compensation Committee.

Executive compensation is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, other in the short and long term. Compensation for each of the executive officers consists of a base salary, bonus and stock options. Compensation is directly tied to corporate and individual performance.

The Corporation's business strategy, goals and objective for the Chief Executive Officer are reviewed annually. The Board receives at least quarterly updates from management on strategic developments and reviews and adjusts the compensation as necessary.

Stock Options are designed to give each optionee an interest in preserving and maximizing long-term shareholder value to enable the Corporation to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance.

Other Committees of the Board

Currently, due to the size of the Corporation and its board of directors, the functions of an executive committee, corporate governance committee and nominating committee are performed by the entire board of directors.

Assessments

The practices of the Board respecting the above corporate governance matters are subject to modifications during the evolution of the Corporation. Consequently, the Board keeps in mind the questions surrounding corporate governance and tries to constantly assess, and if necessary, create measures, control mechanisms and the necessary structures to ensure the efficient execution of its responsibilities, without creating additional general fees and without reducing the performance of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at www.sedar.com and on the Corporation's website at www.mustangminerals.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements, MD&A and any documents incorporated by reference herein without charge by emailing info@mustangminerals.com.

Financial information regarding the Corporation is provided in the Corporation's audited financial statements for the year ended December 31, 2015 and 2016 and the related management discussion and analysis for each year.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and the accompanying Management Information Circular. If any matters which are not known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters, in accordance with the best judgment of the person voting it.

APPROVAL OF DIRECTORS

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Toronto, Ontario this April 28, 2017.

By Order of the Board of Directors

“Robin E. Dunbar”

Robin E. Dunbar
President and CEO

SCHEDULE “A”

MUSTANG MINERALS CORP.

AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors (the “Committee”) has the responsibilities and duties as outlined below:

1. MANDATE

The mandate of the Committee is:

- (a) To perform such duties as may be required by applicable legislation, regulations and policies including those of the Ontario Securities Commission (“OSC”), the Toronto Stock Exchange and/or the TSX Venture Exchange (collectively, the “TSX”) as more fully described under the heading “Duties” below.
- (b) To assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities for:
 - (i) the integrity of the Corporation’s financial statements;
 - (ii) the Corporation’s compliance with legal and regulatory requirements;
 - (iii) the external auditor(s)’ qualifications and independence;
 - (iv) the performance of the Corporation’s independent auditors; and
 - (v) the system of internal control over financial reporting (“internal controls”).
- (c) To perform such other duties as may from time to time be assigned to the Committee by the Board.

2. AUTHORITY

The Committee has authority to:

- (a) conduct or authorize investigations into any matters within its scope of responsibility;
- (b) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- (c) meet with Corporation officers, external auditors and outside counsel, as necessary; and
- (d) determine appropriate funding for independent advisors.

3. DUTIES

The Committee shall:

- (a) Financial Information
 - (i) review the quarterly and annual consolidated financial statements of the Corporation prior to approval by the Board and disclosure to the public, which review should include discussion with management and external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;

- (ii) review the quarterly and annual Management's Discussion & Analysis ("MD&A") of the Corporation's current financial results, position and future prospects prior to review and approval by the Board;
- (iii) review earnings press releases and earnings guidance press releases;
- (iv) discuss significant financial risk exposures and the steps management of the Corporation has taken to monitor, control and report such exposures;
- (v) review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;
- (vi) review the Corporation's Annual Information Form; and
- (vii) review the process relating to and all certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Corporation's quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

(b) Compliance

- (i) review investments and transactions that could adversely affect the well-being of the Corporation which may be brought to its attention by the external auditor(s) or by any officer of the Corporation;
- (ii) review the period reports on litigation matters;
- (iii) annually, review the Corporation's Environmental Policy and evaluate the Corporation's effectiveness in complying with that policy; and
- (iv) annually, review the Charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate.

(c) Internal Controls

- (i) require Corporation management to implement and maintain appropriate internal control procedures over financial reporting and review, evaluate and approve these procedures;
- (ii) establish procedures for processing complaints regarding accounting, internal controls or auditing matters; and
- (iii) establish procedures for responding to complaints regarding environmental matters.

(d) External Auditors

- (i) have responsibility for the oversight of the external auditor(s) who shall report directly to the Committee;
- (ii) retain and terminate the Corporation's external auditor(s), subject to shareholder ratification;
- (iii) review the annual audit plan and letter(s) of engagement;
- (iv) at least annually review the report of the external auditor(s);
- (v) review and recommend to the Board the annual fee for the audit, review the Corporation's audit related expenses and pre-approve permitted non-audit services;
- (vi) approve any significant non-audit relationship with the external auditor(s);

- (vii) meet with the external auditor(s) and with management to discuss the quarterly and the annual consolidated financial statements including the Corporation's disclosure under MD&A; and
 - (viii) review with the external auditor(s) any audit problems or difficulties and management's response.
- (e) Reporting / Other Duties**
- (i) report to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;
 - (ii) provide for an open avenue of communication between internal audit, the external auditors and the Board of Directors;
 - (iii) institute and oversee special investigations as needed.

4. COMPOSITION

(a) Structure

- (i) The Committee shall be composed of not less than three directors, a majority of whom must be resident Canadians and a majority of whom must be "unrelated directors".
- (ii) Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.

(b) Independence

- (i) A majority of the members of the Committee must not be current officers or employees of the Corporation or of any of its subsidiaries or affiliates nor have been such within the 36 months prior to his appointment. A majority of the members must not be persons who are affiliated with the Corporation or of any of its subsidiaries or affiliates as determined by the Board.
- (ii) Directors' fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Committee may be paid by the Corporation.

(c) Appointment of Committee Members

Members are appointed or reappointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Corporation. Members shall hold office until their successors are appointed or until they cease to be Directors of the Corporation.

(d) Vacancies

Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.

(e) Appointment and Qualifications of Committee Chair

The Board shall appoint from the Committee membership a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

5. MEETINGS

- (a) Calling of Meetings. Meetings of the Committee may be called by:
- (i) the Chair,
 - (ii) any member of the Committee; or
 - (iii) the External Auditors.
- (b) The Committee may call a meeting of the Board to consider any matter of concern to the Committee.
- (c) The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:
- (i) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communications facilities the business transacted at the meeting; and
 - (ii) a resident Canadian majority of members would have been present if the absent member had been present.
 - (iii) Any resolution consented to at any time during the Corporation's existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.
- (d) Notice of Meetings
- Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.
- (e) Notice to the Internal Auditor and External Auditor(s)
- The external auditor(s) are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.
- (f) Frequency
- The Committee shall meet at least quarterly.
- (g) Quorum
- The quorum for a meeting of the Committee shall be 40% of the number of members, subject to a minimum of two members.
- (h) Secretary and Minutes
- (i) The Chief Financial Officer of the Corporation shall act as Secretary of the Committee.

- (ii) Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee and subsequently presented to the Committee and to the Board, if required by the Board.

Schedule “B”

BOARD CHARTER

MUSTANG MINERALS CORP.

Board of Directors Charter

Role of the Board of Directors. The role of the Board of Directors is to oversee the business of the Corporation, to select and provide guidance to the CEO and other officers, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to management. At all times, the board acts with a view towards the best interests of the Company and of its shareholders.

Scope of the Board’s Authority. The Board meets regularly to provide guidance to management, to review reports on the performance of the Company, to discuss significant decisions with regards to the continued business of the corporation. The Board is also directly responsible for the following functions:

Selection of the CEO. The Board is directly responsible for the selection and evaluation of the CEO. The Board is also responsible for defining the role of the CEO of the Company. The Board’s Compensation Committee sets the compensation of the CEO.

Responsibility for senior management. The Board is responsible for the selection and evaluation of the Company’s senior management. The Board is also responsible for succession planning.

Corporate Strategy. The Board is responsible for developing, planning and overseeing the Company’s strategic objectives, approving and monitoring management’s role in realising these objectives and making major decisions affecting the Company’s future.

Risk assessment. The Board, along with management, is responsible for assessing the major risks faced by the Company, and for planning, approving and monitoring the management of these risks.

Integrity. The Board has primary responsibility for maintaining the integrity of the Company and its management. The Board sets and implements internal controls, directly and through it’s Audit Committee. The Board is also responsible for ensuring that the Company conducts its affairs in an ethical way.

Composition of the Board

Selection and size of the Board. The Board is elected by the shareholders of the Company at the Company’s annual meeting of shareholders. The Nominating Committee proposes a slate of candidates to the board, which in turn proposes them to the shareholders for election. Shareholders may also make independent proposals for nominations to the Board, by complying with the requirements of the Ontario Business Corporations Act (“OBCA”), or alternatively, at the annual meeting.

The number of directors is recommended by the board for shareholder approval, subject to the requirements of the OBCA and the Company’s Articles of Incorporation. Between annual meetings, the board may appoint new or replacement directors to serve until the next annual meeting.

Qualifications of Directors. The Company seeks to have an active board, and one which is well-suited to advancing the best interests of the shareholders. As such, the members of the board should possess skills and competencies in areas relevant to the Company’s activities, and should complement each others’ strengths. A majority of the Company’s directors are to be unrelated directors, as defined by the Toronto Stock Exchange.

Orientation of New Directors. The Nominations Committee, working with management, are responsible for the orientation and education of new directors, who are also offered the opportunity to undertake additional training at Company expense.

Meetings. The Company's board meets at least once per quarter, in person or by telephone. The Board is responsible for its agenda. Prior to each board meeting, the lead director and the CEO discuss agenda items for inclusion, and prepare materials for distribution to the directors.

At the end of each regularly scheduled board meeting, the unrelated directors will meet without management presence, chaired by the lead director. Any director may initiate meetings without management presence by contacting the lead director.

Committees. The Board has established the following standing committees: Audit, Nominations, Compensation and Disclosure. Committee chairs submit reports to the full board from each committee meeting. The terms of reference for each of the committees are reviewed annually by the board.

Nominations Committee. The Nominations Committee performs an annual evaluation of the board's effectiveness as a whole, as well as of its individual directors and committees. Individual committees also self-assess annually. The Nominations Committee annually recommends to the board appropriate compensation for non-management directors.

Compensation. Compensation for management directors is determined by the Compensation Committee. The Compensation Committee recommends to the board appropriate compensation for Company management.

Access to outside advisors. The board and any committee may at any time retain outside advisors at the expense of the Corporation. Any director may, with the approval of the lead director, retain an outside advisor at the expense of the Corporation.

Corporate Responsibility Policy. The board, as well as its committees and individual members are expected to abide by the Company's Code of Business Ethics.

SCHEDULE “C”

MUSTANG MINERALS CORP.

MUSTANG MINERALS CORP.

STOCK OPTION PLAN

- **Purpose of Plan**

- The purpose of the Plan is to attract, retain and motivate persons as directors, officers, key employees and consultants of the Corporation and its Subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

- **Defined Terms**

Where used herein, the following terms shall have the following meanings, respectively:

- **“Board”** means the board of directors of the Corporation or, if established and duly authorized to act, the Executive Committee or another Committee appointed for such purpose by the board of directors of the Corporation;
- **“Business Day”** means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;
- **“Consultant”** means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or any Subsidiary has a contract for substantial services;
- **“Corporation”** means MUSTANG MINERALS CORP. and includes any successor corporation thereto and any subsidiary thereof;
- **“Eligible Person”** means any director, officer, employee (part-time or full-time), service provider or Consultant of the Corporation or any Subsidiary;
- **“Exchange”** means the Toronto Stock Exchange or the TSX Venture Exchange and, where the context permits, any other exchange on which the Shares are or may be listed from time to time;
- **“Insider”** means:
 - an Insider as defined under Section 1 (1) of the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary; and
 - an associate as defined under Section 1 (1) of the *Securities Act* (Ontario) of any person who is an insider by virtue of (a) above;
- **“Market Price”** at any date in respect of the Shares shall be the greatest closing price of such Shares on any Exchange on the last Business Day preceding the date on which the Option is approved by the Board (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of

such Shares at the close of trading on such date. In the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

- **“Option”** means an option to purchase Shares granted under the Plan;
- **“Option Price”** means the price per Share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8;
- **“Optionee”** means an Eligible Person to whom an Option has been granted;
- **“Person”** means an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act* (Ontario);
- **“Plan”** means the MUSTANG MINERALS CORP. Stock Option Plan, as the same may be amended or varied from time to time;
- **“Share Compensation Arrangement”** means the stock option plan;
- **“Shares”** means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- **“Subsidiary”** means any corporation which is a subsidiary as such term is defined in the *Business Corporations Act* (Ontario) (as such provision is from time to time amended, varied or re-enacted) of the Corporation.
- **Administration of the Plan**
 - The Plan shall be administered in accordance with the rules and policies of the Exchange in respect of employee stock option plans by the Board. The Board shall receive recommendations of management and shall determine and designate from time to time those directors, officers, employees and Consultants of the Corporation or its Subsidiaries to whom an Option should be granted and the number of Shares, which will be optioned from time to time to any Eligible Person and the terms and conditions of the grant.
 - The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
 - to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and make all other determinations necessary or advisable for its administration;
 - to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
 - to determine which Eligible Persons are granted Options and to grant Options;
 - to determine the number of Shares covered by each Option;

- to determine the Option Price;
 - to determine the time or times when Options will be granted and exercisable;
 - to determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
 - to prescribe the form of the instruments relating to the grant, exercise and other terms of Options which initially shall be substantially in the form annexed hereto as Schedule “A-1”.
- **Shares Subject to the Plan**
 - Options may be granted in respect of authorized and unissued Shares provided that, the maximum aggregate number of Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options, subject to adjustment of such number pursuant to the provisions of Article 8 hereof, shall not exceed 10% of the then issued and outstanding Shares of the Corporation. Shares in respect of which Options are not exercised shall be available for subsequent Options under the Plan. No fractional Shares may be purchased or issued under the Plan.
- **Eligibility; Grant; Terms of Options**
 - Options may only be granted to Eligible Persons who are bona fide employees, service providers, Consultants or employees of such Consultants or service providers of the Corporation or its subsidiaries. The Corporation covenants that all employees, service providers, Consultants or individuals employed by companies providing management services to the Corporation shall be bona fide employees, service providers, Consultants or employees of such Consultants or service providers of the Corporation or its subsidiaries.
 - Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time provided and to the extent that such decisions are approved by the Board.
 - Subject to the provisions of this Plan, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option be exercisable exceed 5 years.
 - In the event that no specific determination is made by the Board with respect to any of the following matters, the period during which an Option shall be exercisable shall be 5 years from the date the Option is granted to the Optionee and the Options shall vest on the date of the grant save and except that Options granted to persons or Consultants employed in Investor Relations Activities (as defined in the policies of the Exchange) shall vest in stages over 12 months with no more than ¼ of the Options vesting in any three month period.
 - The Option Price of Shares which are the subject of any Option shall in no circumstances be lower than the Market Price of the Shares at the date of the grant of the Option.
 - The maximum number of Shares which may be reserved for issuance to Insiders under the Plan and under any other Share Compensation Arrangement in any 12 month period shall be 10% of the Shares outstanding at the date of the grant (on a non-diluted basis).

- The maximum number of Shares which may be issued to any one Optionee and such Optionee's associates under the Plan and any other Share Compensation Arrangement in any 12 month period shall be 5% of the Shares outstanding at the date of the issuance (on a non-diluted basis).
- The maximum number of shares which may be reserved for issuance to persons employed in Investor Relations Activities under the Plan or under any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the Shares outstanding at the date of grant (on a non-diluted basis).
- The maximum number of shares which may be reserved for issuance to any one person employed as a Consultant under the Plan or any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the Shares outstanding at the date of the grant (on a non-diluted basis).
- Any entitlement to acquire Shares granted pursuant to the Plan or any other Share Compensation Arrangement prior to the Optionee becoming an Insider shall be excluded for the purposes of the limits set out in Sections 5.6 and 5.7 above.
- An Option is personal to the Optionee and is non-assignable and non-transferable.
- Disinterested shareholder approval shall be required for any reduction in the exercise price of the Options if the option holder is an Insider of the Corporation at the time of a proposed amendment to the exercise price.
- If the expiry date for an Option is set to fall during a period when the Board or a policy adopted by the Board has determined that the Insiders of the Corporation shall not trade in securities of the Corporation (a "**Black-Out Period**"), or within five Business Days of the end of a Black-Out period, the expiry date for such Option shall be deemed to be the sixth (6th) Business Day after the end of the Black-Out Period.
- **Exercise of Options**
 - Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
 - Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
 - completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - the listing of such Shares on the Exchange; and
 - the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange.

- **Termination of Employment; Death**

- Subject to Section 7.2 and any express resolution passed by the Board with respect to an Option, an Option, and all rights to purchase pursuant thereto, shall expire and terminate 30 days after the Optionee ceasing to be a director, officer, consultant, management company employee, a part-time or full-time employee or service provider of the Corporation or of any Subsidiary or such later date as the Board may determine. Options granted to an Optionee who is engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities. The entitlement of a Consultant to Options including the termination thereof shall be in accordance with the terms of the consulting agreement entered into between the Corporation or the Subsidiary and the Consultant.
- If, before the expiry of an Option in accordance with the terms thereof, the appointment, employment or retainer of the Optionee with the Corporation or with any Subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option shall, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the Optionee within twelve months following the death of the Optionee (but prior to the expiry of the Option in accordance with the terms thereof) but only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of his appointment, employment or retainer.
- Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer where the Optionee continues to be employed by the Corporation or continues to be a director of the Subsidiary or an officer of the Corporation or any Subsidiary.
- The Board may, with the consent of an Optionee and subject to the approval of the Exchange, cancel any outstanding Options.

- **Change in Control and Certain Adjustments**

- Notwithstanding any other provision of this Plan in the event of:
 - the acquisition by any Person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders; or
 - the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then notwithstanding that at the effective time of such transaction the Optionee may not be entitled to all the Shares granted by the Option, the Optionee shall be entitled to exercise the Options to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.

- Appropriate adjustments with respect to Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the Corporation, the payment of stock dividends or cash dividends by the

Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders of the Corporation and to acceptance by the Exchange respectively, if applicable.

- Notwithstanding anything else herein to the contrary, in the event an offer to purchase the common shares of the Corporation shall be made to the holders of common shares generally, unless the Board determines that such offer will not result in any change in control of the Corporation, the Corporation shall give written notice thereof to each Optionee holding Options under the Plan and such Optionees shall be entitled to exercise all such Options in respect of all Shares to which Options relate to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30-day period next following the giving of such notice.
- **Amendment or Discontinuance**
- The Plan shall be under the responsibility of, and administered by, the Board of the Corporation. The Board may from time to time, by way of a resolution, amend or repeal the Plan and take all measures necessary or useful to the administration of the Plan, provided however that any amendment to the Plan shall be subject to the approval of all relevant regulatory authorities. The Board may make amendments to the Plan that it deems necessary or useful, without having to obtain shareholder approval. Such changes include, without limitation:
 - minor changes of a “house-keeping nature”;
 - amending Options including with respect to the option period (provided that the Option is not held by an insider), vesting period, exercise method and frequency, subscription price (provided that the Option is not held by an insider) and method of determining the subscription price, assignability and effect of termination of a participant’s employment or cessation of the participant’s directorship;
 - changing the class of participants eligible to participate under the Plan; and
 - advancing the date on which any Option may be exercised or extending the expiration date of any Option, provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted.

Shareholder approval will be required in the case of (i) any amendment to the amendment provisions of the Plan, (ii) any increase in the maximum number of common shares issuable under the Plan, and (iii) any reduction in the exercise price or extension of the option period benefiting an insider, in addition to such other matters that may require shareholder approval under the rules and policies of the TSX.

- **Miscellaneous Provisions**
- The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Corporation.

- Nothing in the Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment of any Optionee beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.
- To the extent required by law or regulatory policy or necessary to allow Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.
- The laws of the Province of Ontario shall apply to the Plan and all rights and obligations hereunder shall be determined in accordance with such laws.
- **Shareholder and Regulatory Approval**
- The Plan shall be subject to the approval of the disinterested shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation in accordance with the *Business Corporations Act* (Ontario) and to acceptance by the Exchange. Any Options granted prior to such approval and acceptances shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.