



107 Falldown Lane, Box 158  
Carp, Ontario  
K0A 1L0

## MANAGEMENT INFORMATION CIRCULAR

### Solicitation of Proxies

**THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF CARUBE COPPER CORP. (THE “COMPANY”) (“CARUBE”)** of proxies to be used at the annual and special meeting of shareholders (the “Shareholders”) of the Company (the “Meeting”) to be held at 3790 Carp Road, Carp, Ontario, on Friday, June 16, 2017, at the hour of 10:00am. (Eastern Time), and at any adjournment thereof for the purposes set forth in the enclosed notice of meeting (the “Notice”). For the sake of clarity, in this Circular, use of the word “proxy” also includes the term Voting Instruction Form (the “VIF”) as determined by reference to the context therein. Except where otherwise indicated, the information contained herein is stated as of May 1, 2017. Although it is expected that the solicitation of the proxies will be primarily by mail, proxies may also be solicited personally or by telephone or other similar means of communication by the directors and/or officers of the Company at the cost of the Company.

The Company has decided to use the notice-and-access method of delivery of the Meeting materials for registered Shareholders and Beneficial Shareholders (as defined below). The notice-and-access method of delivery of Meeting materials allows the Company to deliver the Meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Registered shareholders will receive a form of proxy enabling them to vote at the Meeting. However, instead of a paper copy of the Meeting materials, generally shareholders receive only this notice with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. **The Company encourages Shareholders to use electronic means to vote and access materials and material information.** Materials can be viewed online under the Company’s profile at [www.sedar.com](http://www.sedar.com) or [http://www.carubecopper.com/annual\\_meeting.html](http://www.carubecopper.com/annual_meeting.html) on Carube’s website.

Registered holders or Beneficial Shareholders (either those who object to their identity being known to the issuers of securities which they own or those who do not object to their identity being made known to the issuers of the securities they own) may always request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be

made up to one year from the date the Meeting materials are posted on the Company's website. In order to receive a paper copy of the Meeting materials or if you have questions concerning notice-and-access, please contact Darrell Munro, Corporate Administrator toll free at 1-844-639-3258 or 613-839-0474 or [dmunro@carubecopper.com](mailto:dmunro@carubecopper.com). Requests should be received before Wednesday, June 7, 2017 in order to receive the Meeting materials in advance of the Meeting.

### **Appointment and Completion of Proxies**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named in the attached form of proxy represent management of the Company. **SHAREHOLDERS DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT THEM AT THE MEETING MAY DO SO** by filling in the name of such person in the blank space provided in the proxy no later than 10:00am. (Eastern time) June 14, 2017 or, if the meeting is adjourned, not later than 48 hours, excluding non-business days and holidays, preceding the time of such adjourned meeting, at which the proxy is to be used. Proxies received after 10:00am June 14 may not be accepted by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept late proxies.

- **Registered Shareholders** wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit their duly executed form of proxy with TSX Trust Company, 200 University Ave, Suite 300, Toronto, Ontario, M5H 4H1, by facsimile to (416) 595-9593, or online at [www.voteproxyonline.com](http://www.voteproxyonline.com) using the 12-digit control number that can be found on the proxy received.
- **Registered Shareholders** wishing to vote online must follow the instructions that appear on the screen and refer to the proxy form for their 12-digit control number in order to gain access to the site.
- **Beneficial shareholders** will have access to online voting at [www.proxyvote.com](http://www.proxyvote.com) as described in the enclosed VIF or can return the VIF in the envelope provided to Data Processing Centre, PO Box 2800, STN. LCD, Malton, Mississauga, ON L5T 2T8.

All Shareholders should notify the nominee of the appointment, obtain the nominee's consent to act as proxyholder or VIF holder and provide instructions on how the Shareholders' shares are to be voted. The nominee should bring personal identification with them to the Meeting. A proxy should be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

### **Beneficial Shareholders**

#### **The information set forth in this section is of significant importance**

Only Shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.

**Most Shareholders of the Company are non-registered shareholders (“Beneficial Shareholders”)** because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (an “**Intermediary**”). If you purchased your shares through a broker, you are likely a Beneficial Shareholder.

Intermediaries are required to forward the Meeting materials to Beneficial Shareholders who request copies and to seek their voting instructions in advance of the Meeting. Shares held by Intermediaries can only be voted in accordance with the instructions of the Beneficial Shareholder. If you wish to vote by VIF, you should carefully follow the instructions in order that your shares are voted at the Meeting.

**If you, as a Beneficial Shareholder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided** on the VIF and you should return the form in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

**There are two kinds of Beneficial Shareholders** – those who object to their identity being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not (called “**NOBOs**” for Non-Objecting Beneficial Owners).

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

The Company is relying on the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a VIF from Broadridge who is the appointed agent of the Intermediary. The VIF is to be completed and returned to Broadridge. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address, and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) carrying out your voting instructions.

#### ***Objecting Beneficial Owners***

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting. The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The VIF will name the same persons as the Company’s proxy to represent your shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder, and who can be yourself), other than any of the persons designated in the VIF, to represent your shares at the Meeting. To exercise this right, insert the name of the desired representative, who

may be yourself, in the blank space provided. The completed VIF must then be returned to Broadridge by mail or facsimile, or it can be voted over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all the votes to be represented at the Meeting and the appointment of any Shareholder's representative.

### **Voting of Proxies**

**SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE PRINTED PORTION OF THE ENCLOSED FORM OF PROXY WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, or other matters which may properly come before the Meeting. At the time of printing this Circular the management of the Company knows of no such amendments or variations to come before the Meeting.

Voting at the Meeting will be by a show of hands, each registered Shareholder and each proxyholder (representing a registered or unregistered Shareholder) having one vote, unless a poll is required or requested, whereupon each such shareholder and proxyholder is entitled to one vote for each common share of the Company (a "**Common Share**") held or represented, respectively. Each Shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. In the absence of any such specification as to voting on the proxy, the management designees, if named as proxyholder, will vote in favour of the matters therein.

The enclosed proxy/VIF confers discretionary authority upon the management designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the Notice and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the Company.

### **Revocation of Proxies**

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting their shares. A Shareholder may also revoke their proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing, including a proxy bearing a later date executed by the registered Shareholder or by their authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Company's registrar and transfer agent at the foregoing address or the head office of the Company at 107 Falldown Lane, Box 158, Carp, Ontario, K0A 1L0 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by

depositing the instrument in writing with the Chairman of such meeting on the day of the Meeting, or adjournment thereof, or in any other manner permitted by law. Only registered Shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective nominees to revoke the proxy on their behalf.**

### **Quorum**

All of the Shareholders or two Shareholders, whichever is the lesser, present in person or represented by proxy, will constitute a quorum at the Meeting or any adjournment or postponement thereof. The Company's list of Shareholders as of the Record Date (as defined below) has been used to deliver to Shareholders the Notice and this Circular as well as to determine who is eligible to vote at the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

### **Description of Share Capital**

The Company is authorized to issue an unlimited number of Common Shares. Each Common Share entitles the holder of record thereof to one vote per Common Share at all meetings of the Shareholders. As at the close of business on May 1, 2017 there were 91,264,512 Common Shares outstanding.

### **Ownership of Securities of the Company**

As at May 1, 2017, to the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Issued and Outstanding Common Shares</b>
Wallbridge Mining Company Limited <sup>(1)</sup>	11,694,732	12.8%
Tigers Realm Metals Pty Ltd.	11,066,960	12.1%

*Notes:*

- (1) *Alar Soever, the Chairman of the Company is the Executive Chairman and director of Wallbridge Mining Company Limited ("Wallbridge") and Marz Kord, a director of the Company is the President, CEO and director of Wallbridge. Wallbridge also owns a total of 1,925,000 common share purchase warrants of the Company of which 1,525,000 warrants are exercisable at a price of \$0.30 per common share expiring on July 6, 2017 and 400,000 warrants are exercisable at \$0.15 per share expiring on March 3, 2019.*

The directors and officers of the Company collectively own or control, directly or indirectly, in the aggregate, 9,284,054 Common Shares, representing approximately 10.2% of the outstanding Common Shares as at May 1, 2017.

## RECORD DATE

The directors of the Company have fixed May 1, 2017 as the record date (the “**Record Date**”) for the determination of the Shareholders entitled to receive notice of the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE DIRECTORS

There was no indebtedness of any director or officer or employee, former directors, executive officers or employees to, or guaranteed or supported by, the Company or any subsidiary thereof either pursuant to an employee stock purchase program or any other programs of the Company or a subsidiary or otherwise during the financial year of the Company ended August 31, 2016.

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

Except as set out under the heading “*Particulars of Matters to be Acted Upon*” below, no person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, except as disclosed in this Circular.

## FINANCIAL STATEMENTS

The Company (formerly Miocene Resources Limited (“**Miocene**”)) completed a three-cornered amalgamation with Carube Resources Inc. (“**Carube Resources**”) on June 18, 2015 pursuant to a merger agreement dated March 27, 2014 (the “**Transaction**”). Under the Transaction, Carube Resources was the reverse takeover acquirer of Miocene and Miocene adopted Carube Resource’s August 31 financial year end. The audited consolidated financial statements of Carube Copper Corp. for the years ended August 31, 2016 and 2015 will be placed before the Meeting. The audited consolidated financial statements and report of the auditor and related management’s discussion and analysis may be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company’s Website at: [http://www.carubecopper.com/annual\\_meeting.html](http://www.carubecopper.com/annual_meeting.html)

Additional information may be obtained upon request from the Company at 107 Falldown Lane, Box 158 Carp, Ontario K0A 1L0, telephone number: (613) 839-3258; 1-844-639-3258 or fax number: (613) 839-0464.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the board of directors of the Company (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

### 1. RECEIPT OF FINANCIAL STATEMENTS

At the Meeting, the Chairman of the Meeting will present to Shareholders the audited consolidated financial statements of Carube for the years ended August 31, 2016 and 2015 and the auditor’s report thereon. Receipt at the Meeting of the auditor’s report and the audited consolidated financial statements will not constitute approval or disapproval of any matters referred to therein.

## 2. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the Meeting. It is proposed that the number of directors be increased and fixed at eight. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual and general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles or by-laws of the Company or the provisions of the *Business Corporations Act* (Ontario).

The following resolution is therefore proposed to be presented at the meeting:

**“BE IT RESOLVED THAT:**

The number of Directors shall be fixed at eight and consist of those so nominated below.

The following table sets forth the name of each person proposed to be nominated by the management of the Company for election as a director, his province or state and country of residence, his principal occupation, business or employment, his current position held with the Company, if any, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as of May 1, 2017.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
Alar Soever, P. Geo. <sup>(5)</sup> Thornbury, Ontario, Canada	Executive Chairman and a Director of Wallbridge Mining Company Limited	May 3, 2010	1,329,651
Jeffrey Ackert, B.Sc. Ottawa, Ontario, Canada	President and CEO of the Company; Geologist and Mining Executive; VP Exploration for the Company and European Ventures Inc. Director of Advance Gold Corp; Director of Carube Resources Jamaica Limited and Rodinia Jamaica Limited; Director of Altai Resources Inc.	June 23, 2014	2,174,549 <sup>(4)</sup>

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
Vern Rampton, Ph.D., P. Eng. <sup>(2)(5)</sup> Ottawa, Ontario, Canada	Geologist and Mining Executive; Vice-President, and a Director of the Company; Director of Auropean Ventures Inc. and Mayo Lake Minerals Inc. reporting issuers) and Rampton Resource Group Inc.(private); Director of Carube Resources Jamaica Limited and Rodinia Jamaica Limited both subsidiaries.	June 23, 2014	3,145,914 <sup>(4)</sup>
Gregory LeBlanc, B.A., M.A. <sup>(2)(3)</sup> Ottawa, Ontario, Canada	Director of the Company, Auropean Ventures Inc. and Mayo Lake Minerals Inc., both reporting issuers involved in mineral exploration and development; Holds positions on the boards of several quasi-governmental institutions and since 2009, has been active in commercial real estate development.	June 23, 2014	235,640
Marz Kord, M.Sc., P. Eng., MBA <sup>(3)(5)</sup> Timmins, Ontario, Canada	President, CEO, Director of Wallbridge Mining Company Limited	June 23, 2014	50,000

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
Mark Pfau, M. Sc. <sup>(2)(3)</sup> Missoula, Montana, USA	Economic Geologist; V.P. Exploration Silver Bull Resources, Inc. Chief Geologist Ascendant Copper Corp, Principal Consultant Tellurian Exploration, Inc.	June 23, 2014	Nil
Antoni Manini, BSc, FAusIMM FSEG Melbourne, Victoria, Australia	Executive Chairman of Asiamet Resources Limited, Executive Director of EMR Capital.	Proposed for Election	2,875,000 <sup>(4)</sup>
Yale Simpson, BApSc. West Vancouver, B.C. Canada	Co-Chairman Exeter Resource Corporation, Chairman Adamera Minerals Corp; Director Rugby Mining Limited, President Canaust Resource Consultants Ltd.	Proposed for Election	Nil

*Notes:*

- (1) *The information as to Common Shares owned or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Audit Committee.*
- (3) *Member of the Nomination and Compensation Committee.*
- (4) *The noted directors hold at least some Common Shares through private companies they control.*
- (5) *Member of the Corporate Governance Committee.*

**PROXIES AND VIFS RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE FORM THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.

### **Cease Trade Orders or Bankruptcies**

No proposed director:

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

### **Penalties and Sanctions**

No proposed director has been subject to:

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

### 3. APPOINTMENT OF AUDITOR

Shareholders are being asked to confirm the actions of the Board and reappoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the next annual meeting of Shareholders. PricewaterhouseCoopers LLP, was first appointed as the Company's auditor on June 18, 2015.

**“BE IT RESOLVED THAT:**

PricewaterhouseCoopers LLP shall be reappointed as auditor of the Company to hold office until the next annual meeting of Shareholders.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REAPPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### 4. CONFIRMATION OF STOCK OPTION PLAN

The Company has adopted an incentive stock option plan (the “**Stock Option Plan**”) for officers, directors, employees and consultants of the Company. The Stock Option Plan was approved at the last annual and special meeting of the Company on June 23, 2016. The Stock Option Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital as at the date of grant, subject to standard anti-dilution adjustment. This is a “rolling plan” as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares of the Company in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below (see “*Statement of Executive Compensation – Long Term Compensation*”).

Under Policy 4.4 of the TSX Venture Exchange (“**TSXV**”), a listed company on the TSXV is required to obtain the approval of its Shareholders for a “rolling” stock option plan at each annual meeting of Shareholders. Accordingly, Shareholders will be asked to approve the following resolution:

The text of the Option Plan Resolution to be submitted to Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

**"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE MAJORITY OF THE MINORITY SHAREHOLDERS THAT:**

1. the continuity of the Stock Option Plan by the Company as described in the Circular dated May 1, 2017 and attached thereto as Appendix “B”, is hereby authorized, approved, ratified and confirmed;
2. the reservation for issuance under the Plan of 9,126,451 Common Shares of the Company is hereby authorized, approved, ratified and confirmed;

3. The Board be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Plan in accordance with its terms and conditions and within the policies of the TSXV; and

4. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company on or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to give effect to the foregoing resolution."

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE FOREGOING RESOLUTION IN RESPECT OF THE STOCK OPTION PLAN, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## **5. APPROVAL OF RSU/DSU PLAN**

The Company maintains a Restricted Share Unit and Deferred Share Unit Compensation Plan (the "RSU/DSU Plan"). The Company introduced this plan to bring the Company's compensation policies in line with trends in industry compensation practice, which includes a move towards performance based restricted share units ("RSUs") and deferred share units ("DSUs"), and to preserve the working capital of the Company by paying directors, officers and other qualifying participants compensation in the form of share based awards as opposed to cash. Under the RSU/DSU Plan, no cash settlements will be made, as settlement will be in the form of Common Shares of the Company only.

RSUs are performance based share units which will be granted to participants in the RSU/DSU Plan based on criteria as determined by the Board or Granting Authority (as defined in the RSU/DSU Plan). The RSUs are paid out to the participant at no later than three years from the year in which the RSUs were granted. Non-vested RSUs are forfeited if the participant voluntarily leaves his or her employment with the Company. RSUs provide the Company with a more transparent and objective tool for rewarding performance or compensating participants, while providing the participant with a better-defined incentive award.

The RSU/DSU Plan also makes provision for the use of deferred share units ("DSUs") for payment of directors' fees. A DSU is a notional share that has the same value as one share of the Company as at the grant date. Under the RSU/DSU Plan, directors may choose, with the consent of the Company, to take all or part of their fees in DSUs. DSUs are paid out to directors as Common Shares in the Company when they retire from the Board. A retiring director can defer the payout of his/her DSUs to the year following his/her departure from the Company. The use of DSUs has the advantage of encouraging higher levels of share ownership by the directors, thereby aligning their interests more closely with that of the Company while also preserving cash for the Company.

Subject to the adjustment provisions provided for in the RSU/DSU Plan and the applicable rules and regulations of all regulatory authorities to which the Company is subject (including any stock exchange), the total number of common shares of the Company reserved for issuance pursuant to the RSU/DSU Plan and the Stock Option Plan shall not exceed 20% of the issued and outstanding Common Shares as at the date of Shareholder approval. Unlike the Stock Option Plan, if an outstanding award under the RSU/DSU Plan for any reason expires or is terminated or is cancelled without having been exercised or settled in full, the Common Shares will not be available for re-issuance under the RSU/DSU Plan unless appropriate Shareholder approval has been received.

The above is a summary of the general provisions of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan. Readers are advised to review the full text of the RSU/DSU Plan as attached to this Circular as Appendix "A".

The Shareholders of the Company approved the RSU/DSU Plan at the last annual and special meeting of the Company held on June 23, 2016, which reserved for issuance the maximum number of Common Shares of the Company to be issued under the RSU/DSU Plan.

**In order for the RSU/DSU Plan Resolution (as defined below) to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by disinterested Shareholders of the Company present in person or represented by proxy at the Meeting. It is the intention of the persons named in the enclosed proxy, in the absence of instructions to the contrary, to vote the proxy FOR the resolution approving the increase of shares reserved for issuance under the RSU/DSU Plan. Accordingly, a total of 9,284,054 Common Shares held by Messrs. Soever, Rampton, Kord, Ackert, LeBlanc, McNeice and Irwin will be excluded from voting on the RSU/DSU Plan Resolution.**

At this Meeting, Shareholders of the Company will be asked to authorize the Company to approve the RSU/DSU Plan and to increase the number of Common Shares reserved for issuance under the RSU/DSU Plan to 9,126,451 Common Shares of the Company pursuant and subject to the terms and conditions of such plan and **to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution of the disinterested Shareholders, in the form set out below (the "RSU/DSU Plan Resolution"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the continuity of the RSU/DSU Plan and increasing the number of Common Shares available to 9,126,451 Common Shares.**

The text of the RSU/DSU Plan Resolution to be submitted to Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

**"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE MAJORITY OF THE MINORITY SHAREHOLDERS THAT:**

1. the continuity of the RSU/DSU Plan by the Company as described in the Circular dated May 12, 2017 and attached thereto as Appendix "A", is hereby authorized, approved, ratified and confirmed;
2. the reservation for issuance under the RSU/DSU Plan of 9,126,451 Common Shares of the Company is hereby authorized, approved, ratified and confirmed;
3. The Board be authorized in its absolute discretion to administer the RSU/DSU Plan and amend or modify the RSU/DSU Plan in accordance with its terms and conditions and within the policies of the TSXV; and
4. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company on or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to give effect to the foregoing resolution."

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE FOREGOING RESOLUTION IN RESPECT OF THE STOCK OPTION PLAN, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s 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, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above 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 following Statement of Executive Compensation is prepared in accordance with Form 51-102F6 of National Instrument 51-102. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as an officer of or consultant to the Company.

For a complete understanding of the executive compensation program, this Compensation Discussion and Analysis should be read in conjunction with the Summary Compensation Table and other executive compensation-related disclosure included below.

The Board administers certain duties relating to executive compensation. To attract and retain top talent, fixed compensation is generally targeted at levels comparable to market peers and performance recognition occurs through the delivery of variable short and longer-term incentive compensation.

NEOs do not automatically receive any particular award based on the Board’s determination of the overall performance of the Company, but rather the determination establishes the background for the Board’s subsequent review of the NEOs’ individual performance and compensation.

### *Objectives of the Compensation Program*

The objectives of the Company’s executive compensation program are:

- to attract and retain executives who can help the Company achieve its objectives;
- to align the interests of the executives with the interests of the shareholders;
- to be competitive with the companies with whom the Company competes for talent; and
- to reward individual contributions in light of overall business results.

### *Elements of Executive Compensation*

The allocation of compensation value to these different compensation elements is not based on a formula, but rather is intended generally to reflect market practices and realities as well as the Board’s discretionary assessment of an executive officer’s past contribution and ability to contribute to future short and long-term business results of the Company.

### Base Compensation

Base compensation is designed to provide income certainty and to attract and retain executives. Base compensation for NEOs is reviewed annually by the Board and is based on individual performance, the scope of the executive's role within the Company's and retention considerations.

### Short-term Incentives

Annual cash bonuses are a short-term incentive that is intended to reward executive officers for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The amount is not pre-established and is at the discretion of the Board.

### Long-term Incentives

The Company has adopted the Stock Option Plan and the RSU/DSU Plan pursuant to which stock options, RSUs and DSUs may be granted to directors, officers, employees and consultants of the Company. The Stock Option Plan and RSU/DSU Plan are designed to provide a long-term incentive and to reward key individuals of the Company. The Stock Option Plan and RSU/DSU Plan are an integral component of the Company's total compensation program in terms of attracting and retaining key employees and enhancing Shareholder value by aligning the interests of executives and employees with the growth and profitability of the Company. The longer-term focus of the Stock Option Plan and RSU/DSU Plan complements and balances the short-term elements of the compensation policies of the Company.

Pursuant to the Stock Option Plan and RSU/DSU Plan, the Board may, on the recommendation of the Compensation Committee, grant from time to time to directors, officers, employees and consultants of the Company options to purchase Common Shares, RSUs and DSUs that entitle holders to receive Common Shares upon vesting conditions being satisfied. In determining the number of options, RSUs and DSUs to be granted to the eligible persons, the Compensation Committee considers the amount, terms and vesting levels of existing options, RSUs and DSUs held by the eligible persons and also the number remaining available for grant by the Company in the future to attract and retain qualified key individuals.

### *Stock Option Plan*

In order to ensure the alignment of employees with the Company's long-term interests, the Company currently has in place a rolling Stock Option Plan and the Board, on the recommendation of the Compensation Committee, may periodically grant employees, directors and other eligible participants stock options under such Stock Option Plan. In determining whether and how many new options will be granted, the Company does not use any formal objectives, criteria or analyses in reaching such determinations; however, consideration is given to the amount and terms of outstanding options. As a junior exploration company, qualitative measures of the Company's performance have been favoured over quantitative measures. The Compensation Committee has considered qualitative measures such as work effort, exploration activities, project advancement, property acquisitions and achievement of certain target goals and milestones in evaluating performance and considers the compensation which comparable companies make available to their directors, officers and employees. Under the Stock Option Plan, options to acquire common shares in the capital of the Company may be awarded by the Board to directors, officers and employees of, and service providers and consultants to, the Company.

The exercise price of options granted in accordance with the Stock Option Plan must not be lower than the closing price for the Company's Common Shares as quoted on the TSXV on the last business day prior to the date granted less any discount permitted by the TSXV provided that the minimum exercise price shall not be less than \$0.05 per share.

Options granted under the Stock Option Plan are non-assignable and exercisable in the sole discretion of the option holder. The Board is authorized to determine the expiry dates of stock option grants. No financial assistance is provided by the Company to facilitate the purchase of the Company's Common Shares by option holders.

Options granted under the Stock Option Plan may include provisions regarding vesting. In addition, options granted under the plan include provisions regarding the effect of an employee's termination and the effect of a service provider's cessation of service, as applicable. Where an employee resigns, retires or is discharged with or without cause, any unexercised options held by such employee terminate on the earlier of the expiry of the period specified in the applicable stock option agreement (typically a period of 30 days after the event) and the date on which the options granted to such employee expire. In the event that the option holder is a service provider to the Company and such service provider ceases to provide services to the Company, any unexercised options held by such service provider terminate on the earlier of the expiry of the period specified in the applicable service provider's stock option agreement (typically a period of 60 days after the event) and the date on which the options granted to such service provider expire.

The Stock Option Plan provides the Board with the discretion to terminate or amend the plan in any respect; provided however, that the Board will not, without the approval of the Shareholders of the Company and any stock exchange or quotation system upon which the Company's common shares are listed or quoted, amend the plan or any option in any manner that requires Shareholder approval under applicable law or the rules or policies of any stock exchange or quotation system upon which the Company's Common Shares are listed or quoted. Notwithstanding the foregoing, no such termination or amendment may, without the consent of a Stock Option Plan participant, in any manner adversely affect his rights under any option previously granted under the plan.

#### *RSU/DSU Plan*

RSUs are performance based share units which will be granted to participants in the RSU/DSU Plan based on criteria as determined by the Board or the Granting Authority. The share units are paid out to the participant at no later than three years from the year in which the RSUs were granted. Non-vested RSUs are forfeited if the participant voluntarily leaves his or her employment with the Company. RSUs provide the Company with a more transparent and objective tool for rewarding performance, while providing the participant with a better-defined incentive award.

The RSU/DSU Plan also makes provision for the use of DSUs for payment of directors' fees. A DSU is a notional share that has the same value as one share of the Company as at the grant date. Under the proposed RSU/DSU Plan, directors may choose, with the consent of the Company, to take all or part of their fees in DSUs. DSUs are paid out to directors as Common Shares in the Company when they retire from the Board. A retiring director can defer the payout of his/her DSUs to the year following his/her departure from the Company.

The use of DSUs has the advantage of encouraging higher levels of share ownership by the directors, thereby aligning their interests more closely with that of the Company while also preserving cash for the Company.

Under the RSU/DSU Plan, awards may be granted to any non-employee director, officer, employee or consultant, or any of its designated affiliates. A Participant (as defined under the RSU/DSU Plan) is an eligible person to whom an award has been granted under the RSU/DSU Plan.

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

The oversight and administration of the Company's executive compensation program requires the Board to consider risks associated with the Company's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at quarterly and annual meetings of the Board at which compensation related recommendations are considered. The Company's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Company and its shareholders. In each case, the Company seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk-taking that could affect compensation, (ii) balancing base salary and variable compensation elements, (iii) spreading compensation across short and long-term programs and, and (iv) vesting of stock options and RSUs over a period of years.

### *Financial Instruments*

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, swaps, collars or units of exchange funds that would affect the value realized for Common Shares of the Company granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

### *Share-Based and Option-Based Rewards*

The process that the Company uses to grant share-based and option-based awards to executive officers, including the NEOs, is for the Board to approve option grants based on recommendations made by the Compensation Committee. Option and RSU/DSU awards are determined based on the factors described above under the heading "Long-term Incentives".

### *Other Compensation*

Executive officers may receive cash bonuses based on performance, however, no cash bonus has ever been paid.

## How the Company Determines Compensation

### *The Role of the Board*

The Board approves, or recommends for approval, all compensation to be awarded to the NEOs. The Board may direct the Compensation Committee and management to gather information on its behalf, and provide initial analysis and commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management recommendations.

### *The Role of Management*

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. The Chief Executive Officer makes recommendations to the Board regarding the amount and type of compensation awards for other members of executive management. The Chief Executive Officer does not engage in discussions with the Board regarding his own compensation.

### *Corporate and Individual Performance*

The Board exercises its discretion and uses judgment in making compensation determinations. The Board's assessment of the overall business performance of the Company, including corporate performance against strategy (both quantitative and qualitative) and business circumstances, provides the context for individual executive officer evaluations for all direct compensation awards.

## Summary Compensation Table

On June 18, 2015, the Company completed a reverse takeover with Carube Resources. On closing of the reverse takeover, the Company's financial year end was changed from December 31 to August 31, and certain changes to the NEOs of the Company were made. Alar Soever resigned as the President and Chief Executive Officer of the Company and Mary Montgomery resigned as the Chief Financial Officer of the Company. Vern Rampton was appointed as President and Chief Executive Officer and John McNeice was appointed as Chief Financial Officer. During September 2015, the Company announced a strategic restructuring of corporate duties. Changes to management resulted in the promotion of Jeffrey Ackert to President and CEO, and the appointment of Vern Rampton as Executive Vice President, Corporate Development.

The table below sets forth information concerning the compensation paid, awarded or earned by each of the former and current NEOs for services rendered in all capacities to the Company and Carube Resources Inc., as applicable, during the three most recently completed financial year ends.

NEO Name and Principal Position	Year	Salary (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-Carube incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jeffrey Ackert President and Chief Executive Officer <sup>(4)(10)</sup>	2016	72,000	56,000	23,965	Nil	Nil	Nil	Nil	151,965
	2015	99,000	Nil	Nil	Nil	Nil	Nil	Nil	99,000
	2014	104,400	Nil	Nil	Nil	Nil	Nil	Nil	104,400
Vern Rampton Executive Vice President, Corporate Development and Former Chief Executive Officer <sup>(5)</sup>	2016	84,000	46,667	21,569	Nil	Nil	Nil	Nil	152,236
	2015	104,000	Nil	Nil	Nil	Nil	Nil	Nil	104,000
	2014	108,000	Nil	Nil	Nil	Nil	Nil	Nil	108,000
John McNeice Chief Financial Officer <sup>(6)(10)</sup>	2016	87,243	Nil	16,776	Nil	Nil	Nil	Nil	104,019
	2015	103,000	Nil	Nil	Nil	Nil	Nil	Nil	103,000
	2014	22,281	Nil	Nil	Nil	Nil	Nil	Nil	22,281
Alar Soever Former Chief Executive Officer <sup>(7)</sup>	2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2014 <sup>(8)</sup>	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
Mary Montgomery Former Chief Financial Officer <sup>(9)</sup>	2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2014 <sup>(8)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) *This table does not include any amount paid as reimbursement for expenses.*
- (2) *Amounts presented relating to share based awards relate to RSUs and are based on the fair value at the time of grant. RSUs are valued based upon a five-day volume weighted average market price preceding the date of grant. On February 29, 2016, the Company granted Mr. Ackert 460,295 RSUs and Dr. Rampton was granted 380,393 RSUs. These RSUs vested on March 1, 2017, subsequent to year end, and were settled with the issuance of Common Shares of the Company. On June 13, 2016, the Company granted Mr. Ackert 160,000 RSUs and Dr. Rampton was granted 120,000 RSUs. These RSUs vest June 14, 2017.*
- (3) *Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in the notes to the Company's consolidated financial statements. On February 29, 2016, the Company granted stock options to various officers and directors of the Company. Mr. Ackert, Dr. Rampton and Mr. McNeice were granted 500,000, 450,000, and 350,000 stock options, respectively. These stock options are exercisable at \$0.08 per stock option and expire February 28, 2021.*
- (4) *Mr. Ackert was appointed President and Chief Executive Officer during September 2015 and also continues in his role as Vice President, Exploration. Compensation information included above, being for financial years ended prior to September 2015, was with respect to Mr. Ackert's role as Vice President, Exploration. The compensation disclosure for Mr. Ackert for the year ended August 31, 2014 relates to the compensation that Mr. Ackert received as an officer of Carube Resources Inc. prior to the completion of the Transaction. Mr. Ackert's services are provided by JSA International Geoconsulting Inc., an external management company, of which Mr. Ackert is a principal.*
- (5) *Dr. Rampton was appointed Executive Vice President, Corporate Development during September 2015. Prior to that, Dr. Rampton was appointed President and Chief Executive Officer of the Company on June 29, 2016. The compensation disclosure for Dr. Rampton for the year ended August 31 2014 relates to the compensation that Dr. Rampton received as an officer of Carube Resources Inc. prior to the completion of the Transaction. Dr. Rampton's services are provided by Rampton Resource Group, an external management company, of which Dr. Rampton is a principal.*
- (6) *Mr. McNeice was appointed as Chief Financial Officer on June 29, 2016. The compensation disclosure for Mr. McNeice for the year ended August 31, 2014 relates to the compensation that Mr. McNeice received as an officer of Carube Resources Inc. prior to the completion of the Transaction. Mr. McNeice's services are provided by 6905498 Canada Inc., an external management company, of which Mr. McNeice is a principal.*
- (7) *Mr. Soever served as the Interim Chief Executive Officer from January 1, 2013 until completion of the Transaction and subsequent appointment of the incoming President and Chief Executive Officer on June 29, 2016. Mr. Soever continues to serve as a director and the Company's Chairman of the Board. In 2013, Mr. Soever agreed to defer his salary until such time that Miocene completed a financing in sufficient amount to ensure Miocene has adequate working capital. The deferred amounts have now been settled as follows: \$30,000 has been paid in cash; \$70,000 was paid in Common Shares of Miocene Resources at a deemed price of \$0.20 per share at the time of the Transaction and; \$20,000 remains as long- term debt.*
- (8) *Financial year end of Miocene ended December 31<sup>st</sup>.*
- (9) *Ms. Montgomery served as the Chief Financial Officer from May 3, 2010 until completion of the Transaction and subsequent appointment of the incoming Chief Financial Officer on June 29, 2016. Ms. Montgomery's services as Chief Financial Officer were provided pursuant to a services arrangement with Wallbridge. During 2014, zero percent of Ms. Montgomery's salary with Wallbridge was attributable to the services provided to the Company.*
- (10) *During 2015, Carube Resources Inc. entered into debt settlement agreements with respect to Mr. Ackert's and Mr. McNeice's accrued compensation outstanding. These debt settlement agreements were subject to Shareholder and TSXV approval received during September 2015. JSA International Geoconsulting Inc., an external management company, of which Mr. Ackert is a principal, received 235,294 common shares valued at \$40,000. Mr. McNeice received 100,000 common shares valued at \$17,000.*

## Incentive Plan Awards

### Outstanding Option-Based and Share-based Awards

The following table sets out for each current NEO, the incentive stock options and share-based awards outstanding as at August 31, 2016, the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (d/m/y)	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Jeffrey Ackert	500,000	0.08	28/02/21	25,000	Nil	56,000	56,000
Vern Rampton	450,000	0.08	28/02/21	22,500	Nil	46,667	46,667
John McNeice	350,000	0.08	28/02/21	17,500	Nil	n/a	n/a

Notes:

- (1) Based upon the difference between the exercise price and the closing price of \$0.13 for the Company's common shares on the TSXV at August 31, 2016. These stock options granted on February 29, 2016 vest as follows: 50% after six months from the date of grant and 50% upon the first anniversary of the date of grant.
- (2) On February 29, 2016, the Company granted Mr. Ackert 460,295 RSUs and Dr. Rampton was granted 380,393 RSUs. These RSUs vested on March 1, 2017, subsequent to year end, and were settled with the issuance of Common Shares of the Company. On June 13, 2016, the Company granted Mr. Ackert 160,000 RSUs and Dr. Rampton was granted 120,000 RSUs. These RSUs vest June 14, 2017.

### Incentive Plan Awards – Value Vested or Earned During the Year Ended August 31, 2016

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended August 31, 2016, by each of the NEOs.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jeffrey Ackert	15,000	Nil	Nil
Vern Rampton	13,500	Nil	Nil
John McNeice	10,500	n/a	Nil

Notes:

- (1) Based on the difference between the exercise price of the stock options vested during the year and the closing trading price on the TSXV of \$0.14 on the vesting date of August 29, 2016.

## **Employment and Consulting Agreements**

Other than as described below, there is no current contract, agreement, plan or arrangement between the Company and any NEO under which a NEO is entitled to receive any payment whatsoever from the Company in the event of

- (i) the resignation, retirement or any other termination of the NEO's employment with the Company;
- (ii) a change of control of the Company; or
- (iii) a change in the NEO's responsibilities following a change in control.

The Company has service agreements with Jeffrey Ackert, the President and Chief Executive Officer, Vern Rampton, Executive Vice President and John McNeice, Chief Financial Officer. With respect to Mr. Ackert and Mr. McNeice, these service agreements provide for a payment upon termination without cause equivalent to 18 months' compensation. The service agreements also provide that, should a change in control event occur that Mr. Ackert and Mr. McNeice would be entitled to a lump sum payment equivalent to 24 months' compensation irrespective of whether their services were retained subsequent to the change in control. Should a change in control event occur, Dr. Rampton is entitled to 24 months' compensation reduced by the number of months of service having been provided after September 1, 2015.

For the year ended August 31, 2016, no management functions of the Company are to any substantial degree performed other than by the directors or executive officers of the Company other than as follows:

- For the year ended August 31, 2016, Rampton Resource Group Inc., a corporation controlled by the Company's Executive Vice President, Corporate Development, charged the Company for shared services related to accounting, an office administrator, office rent and related office expenses in the amount of \$102,165 (2015 - \$88,689).

## **Pension Plan Benefits**

There are no pension plan benefits in place for the NEOs.

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

Compensation plans with NEOs resulting from the termination of employment of such NEOs or a change of control of the Company are described under "Employment and Consulting Agreements" above.

## **Director Compensation**

Directors of the Company and the Chairs of committees of the Board are entitled to fees for attending meetings of the Board and meetings of committees of the Board. It is intended that the fees payable to directors and Chairs of the committees of the Board will be settled in the form of share based compensation through the issuance DSUs. The directors are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings and also are eligible to participate in the Company's RSU/DSU Plan and Stock Option Plan.

The following table describes the compensation for the directors of the Company, other than the NEOs, for the year ended August 31, 2016.

COMPENSATION OF DIRECTORS <sup>(1)(2)</sup>							
Name	Fees earned (\$)	Share-based awards <sup>(3)</sup> (\$)	Option-based awards <sup>(4)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alar Soever	Nil	27,500	21,569	Nil	Nil	Nil	49,069
Gregory LeBlanc	Nil	23,500	11,983	Nil	Nil	Nil	35,483
Marz Kord	Nil	17,500	11,983	Nil	Nil	Nil	29,483
Mark Pfau	Nil	14,000	11,983	Nil	Nil	Nil	25,983

*Notes:*

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Compensation paid to the NEOs who served as directors of the Company is disclosed in the Summary Compensation Table.
- (3) Directors are awarded DSUs in satisfaction of board meeting fees and retainers. On October 31, 2016, a total of 889,087 DSUs were granted in satisfaction of a total of \$82,500 in director meeting fees as detailed above. On February 29, 2016, the Company granted a total of 544,423 DSUs in payment of all prior accrued directors' fees totaling \$98,250 related to the period from June 23, 2014 to August 31, 2015. DSUs are exchangeable for common shares of the Company at the time a director ceases to be on the board of directors.
- (4) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in the notes to the Company's consolidated financial statements. On February 29, 2016, the Company granted a total of 4,150,000 stock options to officers, directors and consultants to the Company. These stock options are exercisable at \$0.08 per stock option and expire February 28, 2021. Directors of the Company who are not also NEOs include Mr. Soever, who was granted 450,000 stock options, Mr. LeBlanc, Mr. Kord and Mr. Pfau who were each granted 250,000 stock options.

### Compensation of Directors

Other than as set out herein there are no other arrangements for which directors were compensated by the Company or its subsidiaries.

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all option-based and share-based awards granted to each of the non-management directors that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended August 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
Alar Soever	450,000	0.08	28/02/21	22,500	Nil	Nil	33,917 <sup>(3)</sup>
Gregory LeBlanc	250,000	0.08	28/02/21	12,500	Nil	Nil	37,750 <sup>(4)</sup>
Marz Kord	250,000	0.08	28/02/21	12,500	Nil	Nil	50,417 <sup>(5)</sup>
Mark Pfau	250,000	0.08	28/02/21	12,500	Nil	Nil	32,167 <sup>(6)</sup>

*Notes:*

- (1) Based upon the closing price of \$0.13 for the Company's common shares on the TSXV at August 31, 2016. These stock options granted on February 29, 2016 vest as follows: 50% after six months from the date of grant and 50% upon the first anniversary of the date of grant.
- (2) This value is determined using the market price of the Company's common shares (as quoted on the TSXV) on the vesting date of the DSU awards granted to each director. DSUs are exchangeable for common shares of the Company at the time a director ceases to be on the board of directors.
- (3) This DSU value for Alar Soever relates to: (i) 48,013 DSUs granted on February 29, 2016 with a value of \$6,417; and (ii) 294,760 DSUs granted on October 31, 2016 with a value of \$27,500.
- (4) This DSU value for Gregory LeBlanc relates to: (i) 149,167 DSUs granted on February 29, 2016 with a value of \$26,917; and (ii) 252,067 DSUs granted on October 31, 2016 with a value of \$23,500.
- (5) This DSU value for Marz Kord relates to: (i) 114,038 DSUs granted on February 29, 2016 with a value of \$20,250; and (ii) 188,029 DSUs granted on October 31, 2016 with a value of \$17,500.
- (6) This DSU value for Mark Pfau relates to: (i) 100,705 DSUs granted on February 29, 2016 with a value of \$18,167; and (ii) 154,231 DSUs granted on October 31, 2016 with a value of \$14,000.

**Incentive Plan Awards – Value Vested or Earned During the Year Ended August 31, 2016**

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended December 31, 2015, by each of the non-management directors.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alar Soever	13,500	27,500	Nil
Gregory LeBlanc	7,500	23,500	Nil
Marz Kord	7,500	17,500	Nil
Mark Pfau	7,500	14,000	Nil

*Notes:*

- (1) Based on the difference between the exercise price of the stock options vested during the year and the closing trading price on the TSXV of \$0.14 on the vesting date of August 29, 2016.
- (2) Values represent the market value of DSUs vested during the year ended August 31, 2016 related to director retainers and meetings attended during fiscal 2016.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER CARUBE COMPENSATION PLANS**

The following table sets forth information with respect to the Company's compensation plans under which securities of the Company are authorized for issuance, aggregated in accordance with all plans previously approved by the Shareholders and all Carube plans not approved by the Shareholders as at the previous year end of August 31, 2016:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options and Rights (#)	Weighted Average Exercise Price of Outstanding Options and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Carube Compensation Plans <sup>(2)</sup> (#)
Carube compensation plans approved by security holders (Stock Option Plan) <sup>(1)</sup>	4,561,500	0.12	2,427,343
Carube compensation plans approved by security holders (RSU/DSU Plan)	2,950,441	n/a	3,537,559
Carube compensation plans not approved by security holders	Nil	n/a	Nil
<b>TOTAL:</b>	<b>7,511,941</b>	<b>0.12</b>	<b>5,964,902</b>

Notes:

- (1) *The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at August 31, 2016, the maximum number of Common Shares reserved for issuance under the Stock Option Plan was 6,988,843. As at the Record Date for this Circular, 9,126,451 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.*
- (2) *Based on the terms of the RSU/DSU Plan as approved June 23, 2016, the Company is entitled to issue RSUs or DSUs for 6,488,000 Common Shares; however, the Company is requesting shareholders to approve the reservation of a total of 9,126,451 Common Shares under the RSU/DSU Plan for the 2017 fiscal year. Accordingly, the table includes provision for 6,488,000 Common Shares pursuant to the fiscal 2016 RSU/DSU Plan. This reflects the Common Shares which could be issued should the Company wish to do so and pay the requisite fees to list the Common Shares.*

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 (*Disclosure of Corporate Governance Practices*) (“**NI 58-101**”) requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F2. NI 58-101 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

### Board of Directors

The Board is currently composed of six (6) directors and it is proposed to increase the number of directors to eight (8). Form 58-101F1 suggests that the Board of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under Multilateral Instrument 52-110 (“**MI 52-110**”), which provides that a director is independent if he or she has no direct

or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees, Jeff Ackert, President and Chief Executive Officer, and Vern Rampton, Vice-President are “insiders” or management directors and accordingly are not considered to be “independent”. The remaining six proposed directors are considered by the Board to be “independent”, within the meaning of MI 52-110. In assessing Form 58-101F1 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### **Meetings of Independent Directors**

Currently, the Board is satisfied that it will exercise its responsibilities for independent oversight of management through separate meetings of the independent directors and through committee meetings of independent directors. To enhance the Board’s ability to act independently of management, the Board: (i) may meet in the absence of members of management and the related directors; or (ii) may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

### **Mandate of the Board of Directors**

The Board is responsible for supervising the management of the business and affairs. The Board has responsibility for and will actively participate in the following matters: (i) adoption of a strategic planning process and approval of any strategic plans; (ii) identification of the principal risks relative to the Company's business implementation of appropriate systems to manage such risks; (iii) succession planning, including supervising the training and monitoring of the Company's senior management; (iv) adoption and implementation of the Company's communications policy; (v) overseeing the integrity of the Company's internal controls and management information systems; (vi) ensuring the Board and its members are available to senior management of the Company for the purpose of assisting the Company to respond to opportunities, risks and other developments as necessary from time to time; (vii) ensuring the code of business conduct and ethics is reviewed and, if considered appropriate, revised periodically; (viii) ensuring a documents retention policy is established; and (ix) ensuring the corporate governance practices policy is reviewed and, if considered appropriate, revised periodically.

### **Decisions Requiring Board Approval**

Certain matters must by law or by the by-laws and articles of the Company (the “**By-Laws and Articles**”) be approved by the Board. In addition, management is required to obtain Board approval for any significant new venture which is outside the Company’s ordinary course of business, for any extraordinary expenditure and, for any material transaction.

The Board has constituted three consolidated committees with the following members at this time:

- Audit Committee: Gregory Leblanc (Chair), Vern Rampton and Mark Pfau;
- Compensation and Nomination Committee: Marz Kord (Chair), Gregory LeBlanc and Mark Pfau
- Corporate Governance Committee which also oversees the company’s duties of corporate social responsibility and disclosure; Alar Soever (Chair), Vern Rampton, Marz Kord

Members of these committees are appointed annually to hold office until the next annual meeting or until their successors are appointed.

## **Audit Committee**

The Audit Committee is composed of three directors as named above, of which the majority are “independent”. The composition and operation of the Audit Committee is described in the next section titled “Audit Committee Information Required in The Information Circular of a Venture Issuer”

## **Corporate Governance Committee**

The Corporate Governance Committee is composed not less than three directors, the majority of whom shall be “independent”. The mandate of the Corporate Governance Committee includes, among other things: (i) reviewing and developing specific matters of corporate governance as they may pertain to the Board, including the effectiveness of the Company’s system of corporate governance with respect to the discharge of the Company’s obligations to its shareholders, customers and employees, other stakeholders and the public and reporting and making- recommendations to the Board with respect thereto; (ii) reviewing with the Chairman of the Board, on a regular basis but not less frequently than annually, the role and conduct of the Board and its committees and the methods and processes by which the Board of Directors fulfills its duties and responsibilities, including the number and content of meetings; an annual schedule of issues to be presented to the Board and its committees at their meetings; material which is to be provided to directors generally and with respect to meetings of the Board of Directors and its committees; resources available to directors; and the communication process between the Board of Directors and management; (iii) assisting the Chairman of the Board in reviewing at least annually the composition, needs and performance of the Board, establishing the qualifications for members of the Board, determining the skills, expertise and experience required of directors and developing an appropriate succession plan for directors; (iv) assisting the Chairman of the Board in establishing criteria for the selection of directors and procedures for identifying possible nominees who meet these criteria; retaining any search firm engaged to assist in identifying director candidates, and retaining outside counsel and any other advisors as deemed appropriate; approving related fees and retention terms; (v) assisting the Chairman of the Board in reviewing and assessing the qualifications of persons proposed for appointment or election to the Board; (vi) submitting to the Board for consideration and decision, the names of persons to be nominated for election as directors at the annual meeting of shareholders, or to be appointed to fill vacancies between annual meetings; (vii) ensuring management develops an orientation and education program for new members of the Board and an education program for all members of the Board; (viii) assisting the Disclosure Committee in establishing a communication and disclosure policy for the Corporation that addresses continuous and period disclosure, how the Company interacts with analysts and the public and how the Company can avoid selective disclosure; and (ix) developing a code of business conduct and ethics that governs the Company and the behavior of its directors, officers and employees; (x) making recommendations relative to the composition of the various committees of the Board; reviewing and recommending committee slates annually and recommending additional committee members to fill vacancies as needed; and (xi) monitoring and reviewing all of the foregoing regularly and making changes to same as circumstances require.

#### a) Corporate & Social Responsibility Function

The company's corporate & social responsibilities ('CSR') are carried out by the Governance Committee which makes recommendations to the Board with respect to: sustainable development, environmental, health and safety policies, operating principles, practices and processes, including: (i) current and future regulatory issues relating to sustainable development, environmental, health and safety; and (ii) corporate social responsibility performance at all of the Company's projects and properties in all communities where the Company operates.

#### b) Corporate Disclosure Function

The Company's disclosure responsibilities are overseen by the Governance Committee which makes recommendations to the Board regarding the Company's communication and disclosure policies including procedural matters with respect to regulatory filings, press releases and corporate communications in general. The Corporate Governance Committee is also responsible for regularly assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.

### **Compensation and Nomination Committee**

This Committee is composed of not less than three directors, all of whom shall be "independent". The Compensation Committee is responsible for: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation; (ii) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and (ii) reviewing executive compensation disclosure before the Company publicly discloses this information.

The Committee is also responsible for proposing new nominees to the Board, and for providing an orientation and education program for new Board recruits and continuing education for Board members. New recruits to the Board receive a full program of orientation and education on:

- (i) the background of the business operations of the Company;
- (ii) copies of the Articles and By-laws of the Company;
- (iii) information relative to recent Board and shareholder matters;
- (iv) details of policy and corporate practice guidelines; and
- (v) information detailing corporate and regulatory requirements and procedures.

It is the personal responsibility and duty of directors to become familiar with the above noted matters and to monitor same as they may change over time.

### **Meetings of Committees**

Meetings of committees are held at such time and on such day as the Chair of the committee may determine. Notice of meetings of each committee is to be given to each member not less than 48 hours before the time when the meeting is to be held. A quorum for a meeting of a committee is a majority of the members. The members elect one of their number as Chair of the committee. The Chair of the committee, if present, acts as chair of meetings of the committee. If the Chair of the committee is not present at a meeting of the committee, the members present at the meetings may select one of their members to preside at that meeting.

## **Ethical Business Conduct**

The Company has developed a formal code of ethical business conduct (the “**Code**”), which is designed to assist the Company’s directors, officers and employees better understand their expectations and responsibilities in the discharge of their duties. The Code provides a general framework of how to approach, resolve and report ethical and legal issues encountered by the Company’s directors, officers and employees in carrying out their business functions. As articulated in the Code, directors, officers and employees of the Company are expected to act with the utmost integrity in all of their duties.

The Company also has in place a Whistleblower Policy, which contains procedures that allow employees of the Company to confidentially and anonymously submit their concerns to the Chair of the Audit Committee (or such other applicable officer of the Company) regarding questionable, accounting, internal accounting controls, auditing matters or other business conduct in general. The Whistleblower Policy is designed and intended to encourage reporting of wrongdoing by the Company’s employees. The Whistleblower Policy is expressly referenced in the Code.

The Company’s Code, Whistleblower Policy and Disclosure Policy are reproduced and discussed in the Company’s Employee Handbook which is, together with the Company’s Safety Health Environmental and Community Relations Manual, provided to each employee upon joining the Company.

## **Directorships**

The following table sets forth the current directors of the Company who currently hold directorships with other reporting issuers:

<b>Name of Director</b>	<b>Reporting Issuer</b>
Marz Kord	Wallbridge Mining Company Limited
Jeffrey Ackert	Advance Gold Corp.; Altai Resources Inc. Auropean Ventures Inc. Mayo Lake Minerals Inc.
Alar Soever	Wallbridge Mining Company Limited
Vern Rampton	Auropean Ventures Inc. Mayo lake Minerals Inc
Greg LeBlanc	Auropean Ventures Inc. Mayo lake Minerals Inc

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

Multilateral Instrument 52-110 (“**MI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in MI 52-110) be included in the management information circular sent to Shareholders in connection with the issuer’s annual meeting.

### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix “C”.

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

The Audit Committee members are currently Greg LeBlanc (Chair), Vern Rampton and Mark Pfau, each of whom is a director and financially literate. Messrs. Pfau and LeBlanc are each independent in accordance with MI 52-110.

## Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member.

**Greg LeBlanc, Director** – Mr. Leblanc, B.A., M.A., has over 35 years’ experience in the currency and financial industry sectors. He began his career on the money market desk at the Bank of Canada in 1973. In 1977, he moved to Export Development Canada as an International Economist. In 1984, he was hired by McLeod Young Weir, a Canadian investment dealer and in 1992 he joined Richardson Greenshields who were then acquired by RBC Dominion Securities. At RBC he was named a Vice-President in 1996, holding this position until he retired in 2009. He specialized in commodity and currency trading during his tenure with these investment dealers. He is currently a director of Auropean Ventures Inc. and Mayo Lake Minerals Inc. which are private junior resource companies and since 2009 he has been active in commercial real estate development. He also holds positions on the boards of several quasi-governmental institutions.

**Vern Rampton, Director** – Dr. Rampton is an experienced businessman and has been executive of numerous private companies and partnerships in the mining and real estate sectors where for over 40 years he has held the prime responsibility for funding, spending and monitoring of finances. From 1984 until 2009, he was either partly or primarily responsible, as President and CEO of publically-listed Kinbauri Gold Corp. (“KGC”), for the financial direction and guidance of KGC.

**Mark Pfau, Director** – Mr. Pfau is a career international economic geologist with 30 years of experience in base and precious metals exploration and mine development. He has held several Chief Geologist, Exploration Manager, and V.P. Exploration positions and focuses on advanced project management, resource and reserve expansion and related issues. Mr. Pfau’s experience includes work throughout Latin America and Mexico, central and south-east Asia, and South Africa. His skills bridge the gap between exploration and production and he is a recognized Qualified Person under Geology and Ore Reserves with the Mining and Metallurgical Society of America.

## Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Pre-Approval Policies and Procedures

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

## Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditors of the Company for professional services rendered during the two most recently completed fiscal years.

	<b>Audit and Audit-Related Fees</b> (\$)	<b>Tax Fees</b> (\$)	<b>All Other Fees</b> (\$)
Year ended August 31, 2016	35,000	Nil	Nil
Year ended August 31, 2015 <sup>(1)</sup>	35,000	Nil	Nil
Year ended December 31, 2014 <sup>(1)</sup>	40,050	3,675	26,828

(1) Due to the Transaction, the Company’s year-end changed from December 31 to August 31.

Audit and Audit Related Fees – aggregate fees billed for professional services rendered by the auditors for the audit of the annual financial statements, services provided in connection with statutory and regulatory filings, and review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and services in connection with the 2015 information circular and related Transaction.

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

Except as otherwise disclosed in this Circular, no director or officer of the Company, no proposed nominee for election to the Board, no person who owns, or controls or directs, directly or indirectly, more than 10% of the Company's issued and outstanding shares, and no associate or affiliate of any such person, has had an material interest, direct or indirect, in any material transaction involving the Company since the commencement of its most recently completed financial year.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The management knows of no matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

### **ADDITIONAL INFORMATION**

Financial information of the Company is provided in the audited consolidated financial statements of the Company for the fiscal years ended August 31, 2016 and 2015 together with the related management discussion and analysis. All of the above noted financial information together with other information is available on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Company in order to request copies of the financial information at 107 Falldown Lane, Box 158, Carp, Ontario K0A 1L0.

### **GENERAL**

The contents and the sending of the Notice and this Circular to each Shareholder entitled thereto, each director of the Company, the auditor of the Company and, where required, all applicable securities regulatory authorities have been approved by the Board.

DATED at Ottawa, Ontario, on this 12<sup>th</sup> day of May, 2017.

*"Alar Soever" (Signed)*

Alar Soever  
Chairman & Director

## APPENDIX “A”



### RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT COMPENSATION PLAN

#### 1. Purpose and Amendment

- (a) **Background.** The Corporation currently has in place a Stock Option Plan, pursuant to which Options have been granted to purchase Shares of the Corporation. Subject to Section 14, the Corporation now also adopts this Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Corporation with flexibility in designing various Carube-based compensation arrangements for the Employees, Officers, Consultants and Non-Employee Directors of the Corporation and its Designated Affiliates. Section 14 sets forth the provisions concerning the effective date of the Plan, its termination, and application to Awards under the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this Plan is to advance the interests of the Corporation by encouraging Employees, Consultants and Non-Employee Directors to receive Carube-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Corporation, (ii) aligning the interests of such Persons with the interests of the Corporation’s shareholders generally, (iii) encouraging such Persons to remain associated with the Corporation, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Corporation. The Board also contemplates that through the Plan, the Corporation will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Corporation.

Restricted Share Units granted pursuant to this Plan will be used to compensate Participants for their individual performance based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie awards to individual performance based on established Performance Criteria.

Deferred Share Units granted pursuant to this Plan will be used as a means of reducing the cash payable by the Corporation in respect of director compensable amounts. In so doing, the interests of directors will become more closely aligned with those of the Corporation and its shareholders.

#### 2. Definitions

For purposes of this Plan, the following terms shall have the meaning set forth below:

- (a) “**Act**” means the *Business Corporations Act* (Ontario), or its successor, as amended, from time to time;
- (b) “**Affiliate**” means any corporation that is an affiliated company of the Corporation as defined in *Securities Act* (Ontario), as may be amended from time to time;

- (c) “**Awards**” shall mean, collectively, Restricted Share Units and Deferred Share Units;
- (d) “**Board**” means the board of directors of the Corporation;
- (e) “**Change of Control**” means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding voting shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation to another entity, other than a disposition to a wholly-owned Affiliate in the course of a reorganization of the assets of the Corporation and its Affiliates;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) the acquisition by any “offeror” (as defined in section 89 of the *Securities Act* (Ontario) as at the date hereof) of beneficial ownership of 50% or more of the votes attached to the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
  - (v) any person, entity or group of persons or entities acting jointly or in concert acquires the right to direct the management and policies of the Corporation; or
  - (vi) as a result of or in connection with: (A) a contested election of directors, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board.

As to any given Awards or all Awards, the Granting Authority may establish, in the terms of the Award, additional conditions or events that must occur in order for a “Change of Control” to occur under such Award(s) (including the termination of employment);

- (f) “**Committee**” means the Corporation’s Compensation Committee and any other committee of the Board constituted as provided for in Section 3 and authorized by the Board to take actions with respect to the Plan as provided in Section 3, provided that such Committee is composed of two or more Non-Employee Directors;
- (g) “**Consultant**” shall have the meaning ascribed to it under the applicable policies and rules of the TSXV in effect from time to time;
- (h) “**Control**” shall mean, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise;

- (i) “**Corporation**” means Carube Copper Corp., a corporation existing under the Act, and includes any successor corporation thereof;
- (j) “**Deferred Share Units**” shall mean a right, granted in accordance with Section 6 hereof, to receive a Share that is settled, if at all, only after the Participant’s Eligible Retirement, death or cessation or termination of office or employment, as described herein;
- (k) “**Designated Affiliate**” means the Affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time other than Wallbridge Mining Company Limited;
- (l) “**Effective Date**” shall mean the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made;
- (m) “**Eligible Retirement**” shall mean, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time;
- (n) “**Employees**” means:
  - (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Corporation or any Designated Affiliate;
  - (ii) an individual who works full-time for the Corporation or any Designated Affiliate thereof providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any Designated Affiliate thereof over the details and methods of work as an employee of the Corporation or any Designated Affiliate thereof, but for whom income tax deductions are not made at the source; or
  - (iii) an individual who works for the Corporation or any Designated Affiliate thereof on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any Designated Affiliate thereof over the details and methods of work as an employee of the Corporation or any Designated Affiliate thereof, but for whom income tax deductions are not made at the source
- (o) “**Granting Authority**” shall mean the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this Plan or an Award;
- (p) “**Insiders**” shall mean a reporting insider as defined in National Instrument 55-104 – Insider Reporting Requirements and Exemptions;
- (q) “**IRC**” shall mean the *Internal Revenue Code* (United States) and any regulations thereunder as amended from time to time;

- (r) “**ITA**” shall mean the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time;
- (s) “**Market Value**” of a Share as of a relevant date shall mean the fair market value as determined by the Granting Authority:
- (i) in accordance with the rules of the TSXV if the Shares are then listed on such exchange; or;
  - (ii) if the Shares are not publicly traded at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Granting Authority using any fair and reasonable means selected in the Granting Authority’s discretion;
- (t) “**Non-Employee Director**” shall mean an individual who is a member of the Board but who is not otherwise an Employee or a Consultant of the Corporation or of any Designated Affiliate at the date the Award is granted;
- (u) “**Officer**” shall mean any officer of the Corporation;
- (v) “**Option**” shall mean an option granted in accordance with the terms of the Stock Option Plan of the Corporation to purchase a Share;
- (w) “**Participants**” or “**Grantees**” shall mean those individuals to whom Awards have been granted from time to time under the Plan. The executors and administrators of such Participant’s estate, any Person or Persons who acquire the right to exercise and Award directly from the Participant by bequest or inheritance or any other permitted transferee of the Participant under Section 8 hereof shall be treated as a Participant solely for the purposes of exercising and enforcing an Award according to the terms thereof and of this Plan;
- (x) “**Performance Criteria**” shall mean such financial, personal and/or other performance criteria as may be determined by the Granting Authority with respect to Awards of Restricted Share Units and, for greater certainty, the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Granting Authority deems appropriate and relevant;
- (y) “**Person**” shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or rules of a Stock Exchange, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity;
- (z) “**Plan**” shall mean this Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended and restated from time to time;
- (aa) “**Restricted Period**” shall mean the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant;

- (bb) “**Restricted Share Unit**” shall mean a right, granted in accordance with Section 6 hereof, to receive a Share that generally becomes Vested, if at all, based on the Participant’s period of employment with the Corporation and/or such other Vesting criteria as determined by the Granting Authority from time to time;
- (cc) “**Shareholder Approval Date**” means the date on which this Plan is approved by shareholders of the Corporation;
- (dd) “**Shares**” means the common shares in the capital of the Corporation, as adjusted in accordance with the provisions of Section 9 of this Plan;
- (ee) “**Stock Exchange**” shall mean the TSXV or such other stock exchange where the Shares of the Corporation are listed for trading as at the relevant time;
- (ff) “**Stock Option Plan**” means the Corporation’s Stock Option Plan as it exists on the date hereof and as may be amended from time to time;
- (gg) “**Termination**” means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Corporation or a Designated Affiliate or the cessation of employment of the Employee with the Corporation or a Designated Affiliate, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Corporation or any Designated Affiliate;
- (hh) “**TSXV**” means the TSX Venture Exchange;
- (ii) “**US**” means the United States of America; and
- (jj) “**Vested**” or “**Vesting**” shall mean, with respect to an Award, that the applicable conditions established by the Granting Authority or this Plan have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant’s rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

### 3. **Administration**

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the Plan, applicable law and applicable rules of the Stock Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the Plan in accordance with its terms (including all powers specified in Section 3(a)(ii) and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees; and provided, further, that with respect to Awards of the Corporation’s executive officers, the Committee shall have such powers as are set forth in Section 3(a)(i).
  - (i) **Specific Provisions Concerning Delegation of Authority to the Committee.** In addition to any authority of the Committee specified under any other terms of the Plan, and notwithstanding any other provision herein to the contrary, insofar as Awards under the Plan are to be made to executive officers, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in Section 3(a)(ii) and the other powers granted herein to the Granting Authority.

- (ii) **Specific Powers of the Granting Authority.** Without limiting the lead-in paragraph of Section 3(a), the powers of the Granting Authority shall include the powers to, subject to Section 10(c):
- (1) interpret the Plan and instruments of grant evidencing the Awards;
  - (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Awards;
  - (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
  - (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the Plan (1) subject to Section 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or installment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (4) the consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
  - (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
  - (6) determine whether and the extent to which any Performance Criteria or other conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
  - (7) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that subject to Section 5(d), no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;

- (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
- (9) determine whether and the extent to which adjustments shall be made pursuant to Section 9 and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this Section 3(a) or any other provisions of the Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of “salary deferral arrangement” in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Corporation’s intention that the terms of the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Stock Exchange.

- (b) **Effects of Granting Authority’s Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Corporation, any of its Designated Affiliates, any grantee, holder or beneficiary of an Award, any shareholder and any Employee, Consultant or Non-Employee Director.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the Plan or any instrument of grant evidencing any Award granted under the Plan. To the fullest extent permitted by law, the Corporation shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to such committee, Person or Persons as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant, (ii) with respect to the establishment or determination of the achievement of the Performance Criteria, or (iii) with respect to any matter that would be in violation of applicable law or the rules of any Stock Exchange. The Granting Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

#### 4. **Shares Subject to the Plan**

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to Section 9, the maximum aggregate number of Shares that may be subject to issuance at any given time in connection with the Awards granted under the Plan shall not exceed 6,480,000 shares unless shareholder approval for an additional listing of Shares under this Plan has been obtained. Notwithstanding the foregoing, at no time shall the amount of Shares that may be subject to issuance under this Plan and the number of Shares that may be issued under the Stock Option Plan together exceed 20% of the total number of issued and outstanding Shares of the Corporation (calculated on a non-

diluted basis) as at the date of shareholder approval of the Plan and Stock Option Plan from time to time. For the purposes of computing the foregoing limits the following shall not be counted against such limitations:

- (i) Shares subject to any Option granted under the Stock Option Plan that are reserved on the Shareholder Approval Date (or any portion thereof) where the Option has expired or is forfeited, surrendered, cancelled or otherwise terminated;
  - (ii) To the extent that any Options which lapse unexercised, are cancelled or expire without Vesting, the Shares reserved thereunder will be treated as not having been issued for the purposes of computing the foregoing limitation; and any issuance of Shares pursuant to the terms of an Option will reduce the number of Shares reserved for issuance pursuant to the Option;
  - (iii) Any available shares under a pre-existing shareholder approved plan of a company acquired by the Corporation or a Designated Affiliate or with which the Corporation or a Designated Affiliate combines, and not adopted in contemplation of such acquisition or combination (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Non-Employee Directors prior to such acquisition or combination.
- (b) **Certain Additional Limits.** For as long as the shares are listed for trading on the TSXV:
- (i) the total number of Shares reserved and available for issuance pursuant to this Plan together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation including the Stock Option Plan shall, subject to the adjustments provided for herein and therein, not exceed 20% of the issued and outstanding Shares of the Corporation on the relevant shareholder approval date;
  - (ii) the number of Shares reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation) to any one person within a one-year period shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time;
  - (iii) the number of Shares which may be reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation) to all Insiders shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;
  - (iv) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation) to all Insiders within a

one-year period shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;

- (v) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation) to any one Insider and such Insider's Affiliates or associates within a one-year period shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time;
- (vi) the number of Shares which may be issued pursuant to this Plan together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation to any one consultant in any 12 month period shall not exceed 2% of the Shares outstanding on a non-diluted basis from time to time; and
- (vii) the number of Shares which may be issued pursuant to this Plan together with those Shares which may be issued pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation to all employees conducting investor relations activities in any 12 month period shall not exceed the aggregate of 2% of the Shares outstanding on a non-diluted basis from time to time.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Shares reserved or issued pursuant to Options together with Shares reserved or issued pursuant to all of the Corporation's security-based compensation arrangements (including this Plan) to the extent required by applicable law and applicable rules of the TSXV.

- (c) **Source of Shares.** Except as expressly provided in the Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issuance from unissued Shares such number of Shares as may be necessary to permit the Corporation to meet its obligations under the Plan; provided, however, that the Corporation may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions.

## 5. General Provisions Relating to Awards

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Non-Employee Directors, Officers, Employees or Consultants to the Corporation or its Designated Affiliates. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this Plan, grants of Awards under the Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing,

- (i) Each Award granted under the Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions. Reference in the Plan to an instrument of grant shall include any supplements or amendments thereto;
  - (ii) The term or Restricted Period of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority; provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of ten years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a “salary deferral arrangement” as defined in subsection 248(1) of the ITA);
  - (iii) The terms, conditions and/or restrictions contained in an Award may differ from terms, conditions and restrictions contained in any other Awards;
  - (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the Plan. Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.
- (c) **Vesting Conditions.** Subject to terms of the Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Granting Authority.
- (d) **Change of Control.** Unless otherwise provided in the Award or by direction of the Granting Authority as to all or any type of number of Awards, in the event of a Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Granting Authority may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including following:
- (i) the Granting Authority may waive all restrictions and conditions of all Restricted Share Units and Deferred Share Units then outstanding with the result that those types of Awards shall be deemed satisfied, and the Restricted Period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change of Control or such other date as may be determined by the Granting Authority, provided that, in no event shall a payment be made in respect of a Deferred Share Unit granted to a Participant prior to the date such Participant ceases to be an Employee or Director of the Corporation or of a Designated Affiliate.

Notwithstanding the above provision of this Section 5(d), but subject to any contractual rights created by the terms of an Award, the Granting Authority shall not be required to take any action described in the preceding provisions, and any decision made by the Granting Authority, in its sole discretion, not to take

some or all of the actions described in the preceding provisions shall be final, binding and conclusive with respect to the Corporation and all other interested Persons. Any acceleration of Vesting shall be deemed to have occurred immediately prior to the Change of Control, no matter when the determination of the Granting Authority occurs.

Moreover, if approved by the Board prior to or within thirty (30) days after such time as a Change of Control shall be deemed to have occurred, the Board shall have at any time the right to require that all or any portion of the Awards be settled and discharged in cash based on the “cash value” of such Awards in lieu of settlement by issuance of Shares. Such requirement may be specified in any arrangement relating to such Change of Control transaction to which the Corporation is a party or may be specified in any notice sent by the Corporation, which arrangement or notice may also specify the terms and timing of such settlement. If not so specified, the Board may require settlement at any time within a forty-five (45) day period immediately following the date that the Change of Control is deemed to have occurred. The Corporation may require Participants to verify the amount and completeness of any settlement of Awards as a condition to the final settlement and payment.

- (e) **Fractional Shares.** No fractional Shares shall be issued under the Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.
- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing,
  - (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
  - (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a “salary deferral arrangement” under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.
- (g) **Compliance with the IRC.** In respect of the Plan Participants who are also US taxpayers, all Plan terms will be read as modified so as to effect and ensure compliance with Section 409A of the IRC.

## 6. **Restricted Share Units and Deferred Share Units**

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units and/or Deferred Share Units to Officers, Non-Employee Directors, Employees and/or Consultants of the Corporation on such terms and conditions, consistent with the Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement substantially in the form annexed hereto as Appendix A (in respect of Restricted Share Units) and Appendix B (in respect of Deferred Share Units).
- (b) **Vesting Terms.** Restricted Share Units shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant,

provided that the conditions to Vesting of Restricted Share Units may be based on the Participant's continued employment, and having regard to the satisfaction of any Performance Criteria established by the Granting Authority, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the employment services in respect of which the Award is being made. Unless otherwise provided at the time of the grant, the Vesting of Deferred Share Units shall occur at such times, in such installments and subject to such terms and conditions as may be determined by the Granting Authority and set forth in the applicable instrument of grant.

- (c) **Settlement.** Unless otherwise determined by the Granting Authority (including by the terms of the Award of the Plan) and subject to the immediately preceding sentence and to Section 6(b), Restricted Share Units shall be settled upon or as soon as reasonably practicable following the Vesting thereof and Deferred Share Units shall be settled on the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this Plan.

Notwithstanding the foregoing, Restricted Share Units shall also Vest in accordance with the following terms:

- (i) upon the death of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date the Corporation is duly notified of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant's estate forthwith;
- (ii) in the case of Eligible Retirement of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date of Eligible Retirement, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
- (iii) in the case of total disability of the Participant, all unvested Restricted Share Units credited to the Participant will Vest within 60 days following the date in which the Participant is determined to be totally disabled, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
- (iv) in the case of termination without cause by the Corporation of a Participant (other than Eligible Retirement), all unvested Restricted Share Units credited to the Participant shall Vest on the date of such termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith. For clarity, where a Participant is terminated for cause or where the Participant has voluntarily terminated his/her employment or service with the Corporation, all unvested Restricted Share Units as at the date of such termination or cessation of service shall be immediately cancelled without liability or compensation therefor and be of no further force and effect.

Settlement of Restricted Share Units and Deferred Shares Units in Shares shall be made by delivery of one Share for each such Restricted Share Unit or Deferred Share Unit then being settled.

Upon payment of any amount pursuant to settlement of Deferred Share Units or Restricted Share Units granted under this Section 6 in Shares, the particular Deferred Share Units or Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or otherwise) shall be made in relation to such Deferred Share Units or Restricted Share Units.

If any Restricted Share Unit or Deferred Share Unit is cancelled in accordance with the terms of the Plan or the agreements evidencing the grant, the Shares reserved for issuance pursuant to such Award shall, upon cancellation of such Restricted Share Unit or Deferred Share Unit, as applicable, revert to the Plan and shall be available for other Awards.

(d) **Dividend Equivalents.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.

(e) **Timing Requirements.** Notwithstanding any other provision of the Plan, all amounts payable to, or in respect of a grantee in respect of Deferred Share Units including, without limitation, the delivery of Shares shall not be made prior to the date such grantee ceases to be an Employee (including a Non-Employee Director) of the Corporation or a Designated Affiliate and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the grantee ceases to be an Employee (including a Non-Employee Director) of the Corporation or a Designated Affiliate. All Deferred Share Units granted to a Participant shall have such terms and conditions as are necessary to comply with paragraph 6801(d) of the Regulations of the ITA.

(f) **No Other Benefit.**

(i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.

(ii) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Deferred Share Units or Restricted Share Units whatsoever. Participants are expressly advised that the value of any Deferred Share Units or Restricted Share Units in the Plan will fluctuate as the trading price of the Shares fluctuates.

(iii) In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of Deferred Share Units or Restricted Share Units.

## 7. **Consequences of Termination**

(a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the Plan).

- (i) if employment of an Employee, Officer or service of a Non-Employee Director is terminated for any reason whatsoever other than death, total disability, Eligible Retirement, termination without cause by the Corporation, or if service of a Consultant is terminated for any reason whatsoever other than death, subject to Section 6(c) any non-vested Award granted pursuant to the Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
  - (ii) If employment of an Employee or Officer or service of a Non-Employee Director is terminated for cause or retirement which is not Eligible Retirement or is otherwise voluntarily terminated by the Employee, Officer or Non-Employee Director, any non-Vested Award granted pursuant to the Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Notwithstanding any other provision hereof and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the Award or by its election notwithstanding the terms of an Award):
- (i) Allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or total disability;
  - (ii) Provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants. Without limiting the foregoing, but rather as an example for the foregoing, Awards to Non-Employee Directors may specify that they will become Vested in full upon Eligible Retirement, death, total disability or other change of status even though Awards to Employees do not provide for such acceleration;
  - (iii) Provide for the continuation of any Award for such period and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Employee, Officer, Non-Employee Director or Consultant;
  - (iv) Subject to the applicable rules of the Stock Exchange, provide that Vested Awards may be exercised for periods longer or different from those set forth in Section 7(a); or
  - (v) Set any other terms for the exercise or termination of Awards upon termination of employment or service;

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a “salary deferral arrangement” as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on military, sick leave or other bona fide leave of absence, such Person shall be considered an “Employee” for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person’s right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the

ninety-first (91st) day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

## 8. **Transferability**

- (a) **Transfer Restrictions.** Unless otherwise provided in the instrument of grant evidencing an Award, no Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.
- (b) In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 o'clock in the afternoon (Toronto Time) on the date which is 1 year following the date of death of the Participant or up to 5:00 o'clock in the afternoon (Toronto Time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the Plan and where it is found that the Participant is legally entitled to the Award.

## 9. **Adjustments**

- (a) **No Restriction on Action.** The existence of the Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Corporation to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Corporation, (ii) any merger, consolidation, amalgamation or change in ownership of the Corporation, (iii) any issue of bonds, debentures, capital, preferred or prior preference Shares ahead of or affecting the capital Share of the Corporation or the rights thereof, (iv) any dissolution re liquidation of the Corporation, (v) any sale or transfer of all or any part of the assets or business of the Corporation, or (vi) any other corporate act or proceeding with respect to the Corporation. No Participant or any other Person shall have any claim against any member of the Board of Directors or the Granting Authority, or the Corporation or any employees, officers or agents of the Corporation as a result of any such action.
- (b) **Recapitalization Adjustment**
- (i) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Corporation payable in Shares or other securities of the Corporation, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Corporation or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivisions, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been

changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Corporation out of the ordinary course of business then, the Granting Authority shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.

- (ii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

## 10. **Amendment and Termination**

- (a) **General.** Subject to the provisions of Section 10(c), the Board may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Stock Exchange, if any, that require the approval of shareholders or any governmental regulatory body.

- (b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of a Stock Exchange):

- (i) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Stock Exchange;
- (iii) amendments necessary in order for Awards to qualify for favourable treatment under the ITA or under the United States *Internal Revenue Code*;
- (iv) amendments respecting administration of the Plan;
- (v) any amendments to the vesting provision of the Plan or any Award;
- (vi) any amendments to the early termination provisions of the Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension of an Award beyond the original expiry date;
- (vii) any amendments in the termination provision of the Plan or any Award, other than an Award held by an Insider in the case of an amendment extending the term of an Award,

provided any such amendment does not entail an extension of the expiry date of such Award beyond its original expiry date;

- (viii) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of Participants of Shares under the Plan, and the subsequent amendment of any such provision;
  - (ix) the addition or modification of a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying Shares from the Plan reserve;
  - (x) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Corporation;
  - (xi) amendments necessary to suspend or terminate the Plan; and
  - (xii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Stock Exchange.
- (c) **Shareholder Approval**. To the extent required by applicable law or by the rules of the Stock Exchange, shareholder approval will be required for the following types of amendments:
- (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the Plan;
  - (ii) any amendment extending eligibility to participate in the Plan to persons other than Officers, Employees, Non-Employee Directors or Consultants or increasing the annual limit on Awards to Non-Employee Directors;
  - (iii) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
  - (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issuance at any given time in connection with Awards granted under the Plan;
  - (v) any amendment to these amendment provisions;
  - (vi) the adoption of any option exchange involving an Award; and
  - (vii) any other amendment required to be approved by shareholder under applicable law or rules of a Stock Exchange.

To the extent of any conflict between Section 10(b) and Section 10(c), Section 10(c) shall control.

## 11. **Regulatory Approval**

Notwithstanding anything herein to the contrary, the Corporation shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the

Plan, unless and until the Corporation is advised by its legal counsel that the issuance and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Stock Exchange. The Corporation shall in no event be obligated to take any action in order to cause the issuance or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under Section 7 hereof or, after his or her death, the Participant's estate, as described in Section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

## 12. **No Additional Rights**

No Person shall have any claim or right to be granted Awards under the Plan, and the grant of any Awards under the Plan shall not be construed as giving a Participant any right to continue in the employment of the Corporation or affect the right of the Corporation to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the Plan.

## 13. **Miscellaneous Provision**

- (a) **Shareholder Rights.** A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued any certificates therefor have been issued to the Participant. A Participant entitled to Shares as result of the settlement of a Restricted Share Unit or Deferred Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the company by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Corporation or any Designated Affiliate may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or any Designated Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the Plan, the Corporation shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Corporation may require a Participant, as a condition to the settlement of a Restricted Share Unit or a Deferred Share Unit, to pay or reimburse the Corporation for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units or Deferred Share Units.
- (c) **Governing Law.** The Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the Plan shall be interpreted and construed in accordance with the laws of Ontario (and the federal laws having application

therein), except to the extent the terms of the Plan, any supplement to the Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may specify, including through binding arbitration. Any reference in the Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Award for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Award will be returned to the relevant Participant as soon as practicable.

- (d) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.
- (e) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the Plan shall require or permit the Corporation, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Corporation maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Corporation, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Employees, Officers, Consultants or Non-Employee Directors under general law.
- (f) **No Guarantee of Tax Consequences.** Neither the Board, nor the Corporation nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

#### 14. **Effective Date and Term of Plan**

- (a) **Effective Date of the Plan.** The Plan shall initially become effective on the Shareholder Approval Date, and any subsequent amendments to the Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Corporation at the next annual meeting of Shareholder of the Corporation or any adjournment thereof, to the extent required. The effective date of this Plan, as so amended, shall be the date of approval by the shareholders. If the shareholders do not approve the Plan, or any amendments to the Plan requiring shareholder approval, the Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of

any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded. However, in such case the Stock Option Plan shall remain in effect.

- (b) **Effect on Existing Awards.** Subject to Section 14(a) all new Awards granted on or after the effective date of the amendments as provided in Section 14(a) are granted under and subject to the terms of this Plan as amended and restated and all outstanding Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan and to the terms of their individual option agreements as in effect from time to time including provisions concerning change of control or other related events.
  
- (c) **Termination.** The Board may suspend or terminate the Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the Plan prior to such termination or suspension. The Plan shall automatically terminate on failure to receive requisite shareholder confirmation every year (or such other period of time as required by the Stock Exchange) from the date of its initial approval by shareholders provided that such termination shall not affect any Awards that became effective pursuant to the Plan prior to such termination.

## Appendix B



### STOCK OPTION PLAN

The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company by offering them an opportunity to participate in the Company's future performance through the award of stock options.

#### ARTICLE I INTERPRETATION

**1.1 Definitions and Interpretation.** As used in this Plan, the following words and terms will have the following meanings:

- (a) **"Board"** means the board of directors of the Company;
- (b) **"Committee"** means the committee appointed by the Board to administer this Plan, or if no committee is appointed, the Board;
- (c) **"Company"** means CARUBE COPPER CORP, or any successor corporation;
- (d) **"Disability"** means the mental or physical state of an individual such that:
  - (i) the Board, other than such individual, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6-month period or for any period of 8 months (whether or not consecutive) in any consecutive 12-month period; or
  - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs;
- (e) **"Eligible Person"** means any person who, in the Company's opinion, is a *bona fide*:
  - (i) full-time employee or independent contractor of the Company or any of its subsidiaries or a part-time employee or independent contractor of the Company or any of its subsidiaries working not less than 20 hours per week; or
  - (ii) consultant (including employees of a consultant) to the Company or any of its subsidiaries in respect of whom the Company is permitted to grant Options under applicable law and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or the issuance of the Options; or

- (iii) an executive officer or director of the Company or any of its subsidiaries;
- (f) “**Exercise Price**” means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option;
- (g) “**Expiry Date**” means the expiry date of an Option as determined by the Committee in accordance with the terms and conditions of this Plan, provided that in no event shall the date be more than ten years after the date of grant of the Option;
- (h) “**Market Price**” means, as of any date, the value of the Shares, determined as follows:
  - (i) if the Shares are listed on the Toronto Stock Exchange, the Market Price shall be the volume weighted average trading price of the listed Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of the grant of the Option;
  - (ii) if the Shares are listed on the TSX Venture Exchange, the Market Price shall be the last closing price of the Shares on the TSX Venture Exchange for the last market trading day prior to the date of the grant of the Option less any discount permitted by the TSX Venture Exchange provided that the minimum exercise price shall not be less than \$0.10 per share;
  - (iii) if the Shares are listed on an exchange other than the Toronto Stock Exchange or the TSX Venture Exchange, the Market Price shall be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the Option; and
  - (iv) if the Shares are not listed on an exchange, the Market Price shall be determined in good faith by the Board.
- (i) “**Option**” means an award of an option to purchase Shares hereunder;
- (j) “**Participant**” means every Eligible Person who is approved for participation in the Plan by the Committee;
- (k) “**Plan**” means this Stock Option Plan, as may be amended from time to time;
- (l) “**Shares**” means the Common shares in the capital of the Company and include any shares of the Company into which such Common shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed;
- (m) “**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant that the Participant has for any reason ceased to provide continuous services as an employee, independent contractor, consultant, officer or director to the Company. Notwithstanding the foregoing, an employee will not be deemed to have ceased to provide services in the case of:
  - (i) sick leave; or
  - (ii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days unless reemployment upon the

expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing.

The Committee will have sole discretion to determine whether a Participant has ceased to provide continuous services and the effective date on which the Participant ceased to provide services (the “**Termination Date**”).

## **ARTICLE II THE PLAN/GRANT OF OPTIONS**

### **2.1 Number of Shares Available.** Subject to section 2.2 and Article 5,

- (a) the total number of Shares reserved and available for issuance pursuant to this Plan shall not: (i) exceed 10% of the issued and outstanding Shares of the Company on the date of option grant, and (ii) exceed 20% of the issued and outstanding Shares of the Company on the date of relevant shareholder approval when such Shares are combined with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company;
- (b) the number of Shares reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to any one person within a one-year period shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time;
- (c) the number of Shares which may be reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to all insiders shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;
- (d) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to all insiders within a one-year period shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;
- (e) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to any one insider and such insider’s affiliates or associates within a one-year period shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time;
- (f) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to any one consultant in any 12 month period shall not exceed 2% of the Shares outstanding on a non-diluted basis from time to time; and
- (g) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other employee-related plan of the Company or options for services granted by the Company) to all employees conducting investor

relations activities in any 12 month period shall not exceed the aggregate of 2% of the Shares outstanding on a non-diluted basis from time to time.

Subject to section 2.2 and Article 5, any unissued Shares which cease to be issuable under an Option for any reason (other than exercise of such Option), including without limitation expiry of the Option or surrender of the Option pursuant to an option exchange program, will again be available for issuance under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding Options granted under this Plan.

**2.2 Adjustment of Shares.** In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

- (a) the number of Shares reserved for issuance under the Plan; and
- (b) the number of Shares subject to outstanding Options; and
- (c) the Exercise Prices of outstanding Options;

will be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share will not be issuable under any Options.

**2.3 Options.** The Committee may grant Options to Eligible Persons and will determine the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, the terms of vesting of the Options and all other terms and conditions of the Option, subject to the following:

- (a) **Form of Option Grant.** Each Option granted under this Plan will be evidenced by a stock option agreement or stock option certificate (in either case, the “**Stock Option Certificate**”) which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve and which will comply with and be subject to the terms and conditions of this Plan;
- (b) **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Certificate and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option;
- (c) **Exercise Period.** Options may be exercisable until the Expiry Date determined by the Committee and specified in the Stock Option Certificate. The Committee also may provide for Options to vest at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines, provided that no Options issued to consultants performing investor relations activities shall vest not earlier than the following: in stages over 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any three-month period. If the application of vesting causes the Option to become exercisable with respect to a fractional Share, such Share shall be rounded down to the nearest whole Share;

- (d) **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Market Price of the Shares;
- (e) **Method of Exercise.** Options are exercisable in whole or in part by delivering to the Corporation at its registered office, at least 4 days prior to the proposed exercise date, the subscription (the “**Exercise Agreement**”) in a form approved by the Committee (which need not be the same for each Participant), stating the Participant’s election to exercise the Option, the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant’s investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price and any applicable taxes (including withholding taxes) for the number of Shares being purchased. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable securities laws and the rules and policies of any exchange or quotation system upon which the Shares are listed or quoted, as they are in effect on the date of exercise;
- (f) **Termination.** Subject to earlier termination pursuant to Article 5 and notwithstanding the exercise periods set forth in the Stock Option Certificate, exercise of an Option will always be subject to the following:
  - (i) if the Participant is Terminated for any reason other than the Participant’s death or Disability, then the Participant may exercise such Participant’s Options, (but only to the extent that such Options would have been vested and exercisable upon the Termination Date), no later than sixty days after the Termination Date or such earlier period prescribed by law (but in any event, no later than the Expiry Date); and
  - (ii) if the Participant is Terminated because of the Participant’s death or Disability, then such Participant’s Options may be exercised, (but only to the extent that such Options would have been vested and exercisable by Participant on the Termination Date) by Participant (or Participant’s legal representative or authorized assignee), no later than 12 months after the Termination Date or such earlier period as may be prescribed by law (but in any event no later than the Expiry Date);
- (g) **Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on exercise of an Option;
- (h) **Modification, Extension or Renewal.** The Committee may modify, extend or renew outstanding Options, may modify vesting periods so that any such stock options, whether vested or unvested, may have an amended vesting schedule or may immediately vest and become exercisable, and may authorize the grant of new Options in exchange therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant’s rights under any Option previously granted and that disinterested shareholder approval shall be obtained for any reduction in the Exercise Price if the Participant is an insider of the Company at the time of the proposed amendment; and

- (i) **Issuance of Shares.** Provided that the Exercise Agreement and payment are in form and substance satisfactory to the Company, the Company shall issue the Shares registered in the name of the Participant or Participant's legal representative and shall deliver certificates representing the Shares with the appropriate legends affixed thereto.

### **ARTICLE III ADMINISTRATION**

**3.1 Committee Authority.** This Plan will be administered by the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan including, without limitation, the authority to:

- (a) construe and interpret this Plan, any Stock Option Certificate and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan;
- (c) select Eligible Persons to receive Options;
- (d) determine the form and terms of Options and Stock Option Certificates, provided that they are not inconsistent with the terms of the Plan;
- (e) determine the Exercise Price of an Option;
- (f) determine the number of Shares to be covered by each Option;
- (g) determine whether Options will be granted alone, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (h) grant waivers of Option conditions or amend or modify each Option, provided that they are not inconsistent with the terms of this Plan;
- (i) determine the vesting, exercisability and Expiry Dates of Options;
- (j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Certificate or any Exercise Agreement;
- (k) determine whether an Option has been earned; and
- (l) make all other determinations necessary or advisable for the administration of this Plan.

**3.2 Committee Discretion.** Any determination made by the Committee with respect to any Option will be made in its sole discretion at the time of grant of the Option or, unless in contravention of any express term of this Plan or Option, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Option.

**ARTICLE IV  
RIGHTS OF OWNERSHIP**

**4.1 No Rights of a Shareholder.** No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued as evidenced by the appropriate entry on the securities register of the Company.

**4.2 Transferability.** Options granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the operation of law. During the lifetime of the Participant, an Option will be exercisable only by the Participant and any elections with respect to an Option may be made only by the Participant. The terms of the Option shall be binding upon the executors, administrators and heirs of the Participant with the exception that the period within which the Participant's heirs or administrators can exercise any portion of the outstanding Option will be 5:00 o'clock in the afternoon (Toronto Time) on the earlier of (i) the date on which the option by its terms expires or (ii) that date which is one year from the Participant's death.

**ARTICLE V  
CORPORATE TRANSACTIONS**

**5.1 Assumption or Replacement of Options by Successor.** In the event of:

- (a) a merger whether by way of amalgamation or arrangement in which the Company is not the surviving corporation (other than a merger with a wholly-owned subsidiary, or other transaction in which there is no substantial change in the shareholders of the Company or their relative shareholdings and the Options granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants);
- (b) a merger whether by way of amalgamation or arrangement in which the Company is the surviving corporation but after which shareholders of the Company immediately prior to such merger (other than any shareholder which merges, or which owns or controls another corporation which merges, with the Company in such merger) cease to own their shares or other equity interests in the Company; or
- (c) the sale of substantially all of the assets of the Company,

any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Options).

**5.2 Dissolution or Liquidation.** In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the option will terminate immediately prior to the consummation of such proposed action. The Committee may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Committee and give each Participant the right to exercise his or her Option as to all or any part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable.

**5.3 Assumption of Options by the Company.** The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

## **ARTICLE VI GENERAL**

**6.1 No Obligation to Employ.** Nothing in this Plan or any Option granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

**6.2 Governing Law.** This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws having application in the Province of Ontario.

**6.3 Termination and Amendment of Plan.** The Board may at any time terminate or amend this Plan in any respect; provided however, that the Board will not, without the approval of the shareholders of the Company and any stock exchange or quotation system upon which the Shares are listed or quoted, amend this Plan or any Option in any manner that requires shareholder approval under applicable law or the rules or policies of any stock exchange or quotation system upon which the Shares are listed or quoted. Notwithstanding the foregoing, no such termination or amendment may, without the consent of the Participant, in any manner adversely affect his rights under any Option previously granted under the Plan.

**6.4 Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to participant at the address indicated in the Stock Option Certificate or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three business days after deposit in the mail by certified or registered mail (return receipt requested); one business day after deposit with any return receipt express courier (prepaid); or one business day after transmission by confirmed facsimile, rapidfax or telecopier.

**6.5 Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

**6.6 Necessary Approvals.** The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange or quotation system having jurisdiction over the securities of the Company. If Shares cannot be issued to a Participant upon the exercise of an option for any reason whatsoever, the obligation of the Company to issue such Shares shall terminate and any funds paid the Company in connection with the exercise of such option will be returned to the relevant Participant as soon as practicable.

## APPENDIX “C”



### **CARUBE COPPER CORP. AUDIT COMMITTEE CHARTER**

#### **Purpose of the Committee**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Carube Copper Corp. (the “Corporation”) is to provide an open avenue of communication between management, the Corporation’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Corporation’s financial reporting and disclosure practices;
- the Corporation’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Corporation’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Corporation’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation. The quorum for a meeting of the Committee is comprised of a majority of the Committee members. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Corporation’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (IFRS). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Corporation’s financial statements and to provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material aspects, the financial position, results of operations and cash flows of the Corporation in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Corporation’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attestation services for the Corporation; and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible

for the evaluation of the oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

### **Authority and Responsibility**

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.
11. Establish and review the Corporation's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors as the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110, the Ontario Business Corporations Act and the articles of the Corporation.