

# LAURION MINERAL EXPLORATION INC.

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Laurion Mineral Exploration Inc. (the “**Corporation**”) will be held at 333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto, Ontario, M5H 2T6 on **Friday October 28, 2016 at 11:00 a.m.** (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2015 and December 31, 2014, together with the report of the auditors thereon;
2. to elect the directors of the Corporation;
3. to re-appoint Collins Barrow LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration and the terms of their engagement;
4. to consider and, if deemed advisable, pass a resolution ratifying and approving the renewal of the Corporation’s rolling stock option plan;
5. to approve by special resolution, the consolidation, upon final determination of the directors, of the Corporation’s issued and outstanding Common Shares into one new Common Share for up to every ten pre-consolidation Common Shares, or such other ratio as may be accepted by the relevant regulatory authorities and approved by the directors of the Corporation, as more particularly set out in the Management Information Circular (as defined below); and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting is a management information circular dated September 23, 2016 (the “**Management Information Circular**”), a financial statement request form and a form of proxy. Shareholders will receive by mail copies of the audited annual financial statements of the Corporation for the financial years ended December 31, 2015 and 2014, together with the report of the auditors thereon, which will be filed by the Corporation in accordance with applicable securities laws.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit a duly executed form of proxy with (i) the Corporation’s transfer agent and registrar, TSX Trust Company Inc.<sup>1</sup>, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (facsimile: (416) 595-9593), on or before 11:00 a.m. (Toronto time) on October 26, 2016 or 48 hours prior to the commencement of the Meeting, if the Meeting is adjourned; or (ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Shareholders entitled to receive the Notice of Meeting is the close of business on September 13, 2016.

**DATED at** Toronto, Ontario.  
September 23, 2016

**BY ORDER OF THE BOARD OF DIRECTORS**  
*(signed) Cynthia Le Sueur-Aquin*  
Cynthia Le Sueur-Aquin President

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<sup>1</sup> \*TSX Trust Company is the operating the transfer agency and corporate trust business.



**LAURION MINERAL EXPLORATION INC.**  
**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

**This management information circular (the “Management Information Circular”) is furnished in connection with the solicitation of proxies by the management (the “Management”) of Laurion Mineral Exploration Inc. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of holders (the “Shareholders”) of common shares of the Corporation (the “Common Shares” or the “shares”) to be held at the time and place and for the purposes set forth in the attached notice of annual and special meeting of Shareholders (the “Notice of Meeting”).** Except as otherwise stated, the information contained herein is given as of September 23, 2016. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by directors, officers and certain employees of the Corporation by telephone, facsimile or in person but will not receive additional compensation for doing so. The cost of solicitation of proxies by management will be borne by the Corporation.

The Corporation will pay the reasonable costs incurred by persons who are the Non-Registered Holders (as defined below) but not beneficial owners of shares (such as brokers, dealers and other registrants under applicable securities law and nominees and custodians) in sending or delivering copies of the Notice of Meeting, the Management Information Circular, the form of proxy and the financial statement request form to the Non-Registered Holders. Payments will be made upon receipt of an appropriate invoice. The Corporation will furnish to such persons, upon request to the Secretary of the Corporation, 333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto, Ontario, M5H 2T6 (facsimile: 1-416-364-7813) and without additional cost, additional copies of the Notice of Meeting, Management Information Circular, financial statements, financial statement request form and form of proxy.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Meeting Materials (as defined below) to the Intermediaries (as defined below) for distribution to Non-Registered Holders whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-Registered Holder unless a Non-Registered Holder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Holders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Non-Registered Holders, through the services of its transfer agent and registrar, Equity Financial Trust Company. The solicitation of proxies from Non-Registered Holders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Non-Registered Holders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Non-Registered Holder.

**NOTICE-AND-ACCESS**

As previously noted, the Corporation is utilizing the notice-and-access mechanism that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Circular and other materials to the Shareholders. Notice-and-access is a new set of rules that allows issuers to post electronic versions of Meeting Materials (as hereinafter defined) online via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Circular may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and also on <http://noticeinsite.tsxtrust.com/LaurionMineralExplorationIncASM2016>

## **Shareholders are reminded to review the Circular before voting.**

Although this Circular will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice of Meeting with information prescribed by NI 54-101 and NI 51-102, voting instruction form or form of proxy and form of Letter of Transmittal.

The Corporation anticipates that utilizing the notice-and-access process will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing the Meeting Materials (as hereinafter defined). It also provides Shareholders with faster access to information about Laurion.

Shareholders with questions about notice-and-access may contact TSX Trust Company (“**TSX Trust**”) at 416-361-0930 from the date hereof to the Meeting Date, or the Corporation (from the date hereof to October 26, 2016. Shareholders may obtain paper copies of this Circular free of charge by contacting TSX Trust from the date hereof up to and including the Meeting Date or the Corporation from the Meeting Date to and including October 26, 2016.

A request for paper copies before the Meeting should be sent well in advance, so that it is received by the Corporation or TSX Trust by October 19, 2016 in order to allow sufficient time for the Shareholders to receive the paper copies and to return the instruction forms to the Corporation or their Intermediaries (as defined hereinafter), as applicable, by the due date.

Shareholders may request paper copies of the Meeting Materials (as hereinafter defined) up to one year after the filing of this Circular. Interested Shareholders can contact TSX Trust at 1-866-600-5869 to make a request.

### **Confirmation of Amendment to By-Law No. 17**

On April 18, 2013, the Board approved an amendment to By-Law No. 17 of the Corporation (the “**By-Law Amendment**”) to add an advance notice requirement in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to: (a) a requisition to call a shareholders meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”); or (b) a shareholder proposal made pursuant to the provisions of the Act (the “**Advance Notice Requirement**”).

The Advance Notice Requirement fixes a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid.

The Advance Notice Requirement also provides a clear process for shareholders to follow to nominate directors and sets out a reasonable time frame for nominee submissions along with a requirement for accompanying information, allowing the Corporation and the shareholders to evaluate all nominees’ qualifications and suitability as a director of the Corporation. The purpose of the Advance Notice Requirement is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information with respect to all nominees and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Requirement should assist in facilitating an orderly and efficient meeting process.

### **PROXIES AND VOTING**

**Shareholders who are unable to attend the Meeting in person and who wish to have their shares voted at the Meeting are requested to date, sign and return, in the envelope provided for that purpose, the enclosed form of proxy.** Proxies must be deposited: (i) with the Corporation’s transfer agent and registrar, TSX Trust, on or before 11:00 a.m. (Toronto time) on October 26, 2016 or 48 hours prior to the commencement of the Meeting, if the Meeting is adjourned; or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting

or any adjournment thereof, in order for the shares represented thereby to be voted at the Meeting or any adjournment thereof.

The shares represented by any proxy in favour of the nominees of Management named therein will be voted for, against or withheld from voting with respect to the matters described herein in accordance with the instructions provided in any such proxy on any ballot that may be called for and if a Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**In the absence of any specification to the contrary, such proxies will be voted in favour of the passing of the matters set out in the Notice of Meeting.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.** As of the date hereof, Management knows of no other matters to come before the Meeting other than matters referred to in the Notice of Meeting. If any matters which are not now known should properly come before the Meeting or if any amendments or variations to the matters referred to in the Notice of Meeting are presented for consideration at the Meeting, the forms of proxy will be voted on such matters, amendments and variations in accordance with the best judgment of the person voting the proxy.

**The persons named in the enclosed form of proxy are officers of the Corporation and represent Management. Each Shareholder has the right to appoint a person or a company (who need not be a Shareholder) other than the persons named in the accompanying form of proxy as proxy holder to represent the Shareholder at the Meeting.** The Shareholder may exercise this right by inserting the name of the nominee in the space provided in the enclosed form of proxy or may complete another appropriate form of proxy, and in each case delivering the completed proxy in the manner set forth above.

#### **NON-REGISTERED HOLDERS**

The information in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Only registered holders of Common Shares or duly appointed proxy holders are permitted to vote at the Meeting. Many Shareholders of the Corporation are Non-Registered Holders because the voting shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares.

More particularly, a person is a Non-Registered Holder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular, a form of proxy, a voting instruction form (if applicable) and a financial statement request form (collectively the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- a. be given a form of proxy **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form” or a “proxy authorization form”) which the Intermediary must follow. Typically, the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to be validly constituted, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- b. less typically, be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to TSX Trust as provided under “Proxies and Voting” above.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares of the Corporation which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other persons) name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy is to be delivered.**

## REVOCATION OF PROXIES

**A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the principal office of the Corporation, 333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto, Ontario, M5H 2T6, to the attention of the Secretary, on or before the last business day preceding the day of the Meeting or any adjournment thereof or, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxy, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business Tuesday September 13, 2016 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice of Meeting and vote at the Meeting. The Corporation is authorized to issue an unlimited number of Common Shares, of which 105,051,245 Common Shares were issued and outstanding as at the Record Date. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation has prepared a list of the Shareholders on the Record Date. Each Common Share carries one vote in respect of each matter to be voted on at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the date of this Management Information Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights of the total issued and outstanding Common Shares as at the Record Date.

A quorum for the Meeting and any adjournments thereof is two persons present in person, each being a Shareholder of the Corporation entitled to vote at the Meeting or a duly appointed proxyholder of such person, and together holding or representing by proxy more than 10% of the outstanding Common Shares of the Corporation entitled to vote at the Meeting.

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

### 1. Financial Statements

The Corporation's audited consolidated financial statements for the financial year ended December 31, 2015 and December 31, 2014, together with the report of the auditors thereon, will be placed before the Meeting. The annual audited consolidated financial statements of the Corporation are available on SEDAR at [www.sedar.com](http://www.sedar.com). No vote with respect thereto is required nor will be taken.

### 2. Election of Directors

The board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) currently consists of seven directors. The terms of office of each current director of the Corporation will expire on the date of the Meeting when the new Board is elected. Each proposed director, if elected at the Meeting, will hold office until the next annual general meeting of Shareholders or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by removal, death or other cause.

An affirmative vote of a majority of the votes cast at the Meeting is required for the election of directors. **Common Shares represented by proxies in favour of Management nominees will be voted in favour of such resolution unless such proxies specify that the Common Shares represented thereby shall be withheld from voting.** In the event a nominee is unable or unwilling to serve, an event that Management has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that these Common Shares are to be withheld from voting for the election of directors.

The following table sets out the name of each of the persons proposed to be nominated by Management for election as director, all other positions and offices with the Corporation now held by such persons, their municipality of residence and principal occupation, the year in which such persons became a director of the Corporation, if applicable, and the number of Common Shares of the Corporation beneficially owned by them, directly or indirectly, or over which they exercise control or direction, as at the date hereof. The information as to Common Shares owned or controlled has been provided by the person named.

| Name and Municipality of Residence                                     | Present Principal Occupation                            | Director Since   | Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> |
|------------------------------------------------------------------------|---------------------------------------------------------|------------------|-------------------------------------------------------------------------|
| Michael Bourassa <sup>(2)</sup><br>Toronto, Ontario,<br>Canada         | Partner, Fasken Martineau<br>DuMoulin LLP, law firm     | April 7, 2003    | -                                                                       |
| David Burkes <sup>(2)</sup><br>Richmond Hill, Ontario,<br>Canada       | Sole Practitioner, Chartered<br>Accountant              | March 3, 2004    | 80,000                                                                  |
| Terrence Byberg <sup>(3)(4)</sup><br>St Catharines, Ontario,<br>Canada | President and CEO – Stratabound<br>Minerals Corporation | February 6, 2003 | 111,000                                                                 |

|                                                                              |                                                                                                                                                                                                                                           |                    |           |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| Cynthia Le Sueur-Aquin <sup>(3)(4)</sup><br>Sidney, British Columbia, Canada | President, Laurion Mineral Exploration Inc.;<br>President, AquinTerra Inc., consulting company                                                                                                                                            | April 7, 2003      | 2,250,000 |
| Neil Westoll <sup>(2)(3)</sup><br>Oakville, Ontario, Canada                  | Semi-retired                                                                                                                                                                                                                              | March 3, 2004      | 100,000   |
| Douglas Bolton <sup>(2)</sup><br>Etobicoke, Ontario, Canada                  | Sole Practitioner - Chartered Professional Accountant: CFO, Laurion Mineral Exploration Inc.; CFO, Adex Mining Inc.; CFO, Alabama Graphite Corp., President, Bolton & Bolton Inc. (management consulting and accounting services company) | September 20, 2012 | -         |
| Joseph Campbell <sup>(3)(4)</sup><br>Nepean, Ontario, Canada                 | President, GeoVector Management, Mineral exploration consultation and project management company; President, TerraX Minerals Inc., mining exploration company                                                                             | December 27, 2012  | -         |

Notes:

(1) Excluding Common Shares issuable upon the exercise of outstanding options. Each of Messrs. Bourassa, Burkes, Westoll and Byberg has 1,160,000 options, Mr. Bolton has 990,000 options, Mr. Campbell has 630,000 options and Ms. Le Sueur-Aquin has 2,250,000 options. Each option is exercisable into one Common Share upon payment of the exercise price therefor

(2) Member of the Audit and Compensation Committee.

(3) Member of the Technical Committee.

(4) Member of the Strategy Committee.

## **Biographical Information**

The following briefly describes the qualifications and experience of the nominees to the Board:

### **Douglas Bolton**

Douglas Bolton, Chartered Accountant CPA, CA Canada, has been a consultant providing accounting services to the Corporation since September 1, 2011 and is also a practicing Chartered Accountant with public accounting experience. As a sole practitioner, he provides accounting and consulting services to a wide variety of clientele. During his career as a public accountant, Mr. Bolton provided audit services to a number of reporting issuers listed on the TSX Venture Exchange (the “TSXV”) primarily focused on the junior resource sector. Mr. Bolton currently serves as the CFO for Adex Mining Inc. and is a director/treasurer of The Tony Stacey Centre for Veterans Care, a not-for-profit long-term care facility located in Toronto. Mr. Bolton was appointed Chief Financial Officer and Director of the Corporation on September 20, 2012.

### **Michael Bourassa**

Michael Bourassa, LL.B, B.Sc., has been a director, Secretary and Treasurer of the Corporation since April 7, 2003. He is a partner at Fasken Martineau Dumoulin LLP and past coordinator of the global mining group. Michael is a director of the Prospectors and Developers Association of Canada (“PDAC”), a member of the mining executive committee for the International Bar Association, and a former trustee for the Rocky Mountain Mineral Law Foundation (RMMLF). He was named in the 2005-2014 editions of the International Who's Who of Business Lawyers (“Who's Who Legal”) and was also named by Who's Who Legal as ‘Mining Lawyer of the Year’ in 2010, 2011 and 2012 2014 and 2015 and Legal 500 Canada 2014-2016 “Leading Lawyer” for

energy: Mining. Michael received his BSc in physical geography in 1976 from the University of Saskatchewan and worked in the mineral exploration industry for several years prior to obtaining his law degree.

### **David Burkes**

David Burkes, Chartered Accountant CPA Canada, CA, IFA, has been a director of the Corporation and was acting Chief Financial Officer of the Corporation from March 3, 2004 to September 20, 2012. He offers accounting and financial services to a wide variety of clientele and provides financial advisory services to the Boards of Directors with respect to budgeting, financing and corporate governance. He is also an investigative and forensic accountant qualified by the Canadian Institute of Chartered Accountants. Included amongst Mr. Burkes' assignments, has been the investigation into the fraudulent practices of a gold mine's purchasing agent and a review of the records of another gold mine leading to significant changes in operating procedures and in corporate management. Mr. Burkes has also provided forensic accounting services in the areas of shareholder disputes, qualification of damages due to product liability, breach of contract and personal injury.

### **Terrence Byberg**

Terrence Byberg has been a director with the Corporation since February 6, 2003. Mr. Byberg is a graduate of the Haileybury School of Mines with mining experience gained in Northern Canada, USA, Greece, the Philippines, Australia and Mexico. Mr. Byberg started his career at Campbell Red Lake Mines as a junior engineer, was employed as shift boss, training and safety supervisor, and then mine superintendent prior to his departure. Holding the position of General Manager, Mr. Byberg has worked for Royal Oak Mines Inc., TVX Gold Inc., and Exall Resources Ltd. He has held the positions of President and COO of Philippine Gold PLC, Founding Partner, President and CEO of Silver Eagle Mines Inc., and Founding Partner and VP Mining of Chieftain Metals Inc. Mr. Byberg was appointed President and Chief Executive Officer of Stratabound Minerals (previously Silver Stream Mining Corporation) on January 17, 2014.

### **Joseph Campbell**

Joe Campbell is a Professional Geologist with particular expertise in mine geology and project development. He has operations experience from chief geologist to mine supervision in underground and open pit environments, and project development roles from pre-feasibility to construction and start-up as senior geologist to project manager. Mr. Campbell has worked in various commodities, including gold, nickel, copper, lead, zinc, uranium and industrial minerals, and his career has taken him throughout North and Central America, South America, Africa, Australia, and Asia. Currently Mr. Campbell is president of GeoVector Management Inc., a geological consulting firm based in Ottawa, Ontario. He is also President of TerraX Minerals Inc., a publicly traded company on the TSXV.

### **Cynthia Le Sueur-Aquin**

Cynthia Le Sueur-Aquin has been a director and the President of the Corporation since April 7, 2003. Ms. Le Sueur-Aquin has experience in mine management in the precious metal mining industry. She has been involved in global exploration and production operations including the development and project management of many mines, sand and slimes recovery sites, and gold recovery plants throughout the world. Her postings have provided her with direct exposure to cultural, political and regulatory issues in Indonesia, South Africa, Zimbabwe, Canada, Mexico, Mozambique, Zambia, Botswana and other North African States. She also has experience in project financing, mining property acquisitions, corporate legal work and negotiations, company administration and investor relations. Ms. Le Sueur-Aquin worked for Randgold and Exploration Corporation

Limited, Rand Leases (V) Gold Mining Corporation Limited and Gold Fields Limited prior to coming to Canada in 1995. She was also Senior Vice-President, Exploration and Mining Projects for Antares Mining and Exploration Corp. Since 1999, Ms. Le Sueur-Aquin has been working as a consultant with AquinTerra Inc. (previously Quaere Strategia Inc.), and has completed numerous mineral valuations, evaluations and fairness opinions for planned mergers and acquisitions in connection therewith.

#### **Dr. Neil D.S. Westoll**

Neil Westoll, Ph.D., P.Geo., P.Eng., has been a director of the Corporation since March 3, 2004. He is widely experienced in metal exploration and business development internationally, having spent 11 years with a subsidiary of one of the world's largest mining companies, ten years as an independent consultant to the mining industry, three years in senior executive positions in exploration and business development in a substantial international mining company and four years with junior companies. He has initiated, developed, and negotiated agreements with landowners and governments and directed effective exploration, evaluation and business development worldwide. Dr. Westoll successfully managed industry-supported development of a website-based compilation of environmental best practices in exploration (e3) for PDAC, which included all aspects of environmental stewardship and community engagement from initial exploration through to closure and remediation. Dr. Westoll joined AECOM (previously Gartner Lee Limited) as Mining Practice Leader – Eastern Canada in September 2003, and retired from the company at the end of June, 2009. He served on the Council of the Association of Professional Geoscientists of Ontario (APGO) from its inception up to June 2006, and was Treasurer of the APGO until then. He is a previous Chairman of the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum, and a former member of the Board of PDAC up until 2014, during which time he was a member of the PDAC CSR, Awards and Nominations Committees. Although Dr. Westoll is now semi-retired, he continues to act as a consultant to the mining industry.

#### **Regulatory Matters, Bankruptcies and Insolvencies**

To the knowledge of the Corporation, no nominee for director of the Corporation is, at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- i. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting as director, chief executive officer or chief financial officer;
- ii. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and that resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- iii. while that person was acting in the capacity as director, chief executive officer or chief financial officer 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.

## **Personal Bankruptcies, etc.**

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the proposed director.

## **Penalties Under Securities Legislation**

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, (a) has been subject to 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) has had 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 Auditors**

Shareholders will be requested to re-appoint Collins Barrow LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration and the terms of their engagement. Collins Barrow LLP has served as the auditors of the Corporation since September 12, 2005.

**To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the re-appointment of Collins Barrow LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix their terms of engagement and remuneration, unless the Shareholder has specified in a proxy that his shares are to be withheld from voting in respect thereof.**

### **4. Approval of Rolling Stock Option Plan**

Effective October 5, 2010, the Board adopted a new rolling 10% stock option plan (the “**2010 Stock Option Plan**”), which was ratified by the Shareholders on November 5, 2010 and approved by the TSXV. A copy of the 2010 Stock Option Plan, which was drafted in accordance with the latest TSXV policies, is attached to this Management Information Circular as Schedule “C” and a summary thereof is included below. The summary, however, is qualified in its entirety by the terms of the 2010 Stock Option Plan. The 2010 Stock Option Plan replaced the Corporation’s previous incentive stock option plan, dated August 11, 2000, as amended and restated on March 3, 2004, June 20, 2005 and August 30, 2006 (collectively, the “**2006 Stock Option Plan**”). While all existing grants of options under the 2006 Stock Option Plan will continue to be exercisable in accordance with their terms, the 2010 Stock Option Plan will remain in effect and any subsequent option grants will be made pursuant thereto. Additional information in respect of the 2010 Stock Option Plan is set forth below.

The purpose of the 2010 Stock Option Plan is to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with those of the Shareholders. The 2010 Stock Option Plan will be administered by the Board or, in its discretion, a stock option committee consisting of not less than three members of the Board. It is anticipated that the Board will administer the 2010 Stock Option Plan with recommendations from the compensation committee of the Corporation (the “**Compensation Committee**”).

Pursuant to the 2010 Stock Option Plan, options will be exercisable over periods of up to ten years as determined by the Board. In addition, options are required to have an exercise price no less than the closing market price of

the Corporation's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV.

Pursuant to the 2010 Stock Option Plan, the Board may from time to time authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of Common Shares which may be issued pursuant to options granted under the 2010 Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the 2010 Stock Option Plan will be subject to such vesting schedule as the Board may determine.

The terms and conditions of each option granted under the 2010 Stock Option Plan will be set forth in an option agreement entered into between the Corporation and each optionee (the "**Option Agreement**"), such agreement in the form appended to the 2010 Stock Option Plan. Each Option Agreement, among other things, sets out the number of options granted, their exercise price, vesting schedule and term.

Pursuant to the 2010 Stock Option Plan, if any participant who is a director, officer, employee or consultant of the Corporation or an affiliate shall cease to act in that capacity for any reason other than death or permanent disability, such participant's options will terminate on the earlier of the date of the expiration of the relevant date and 90 days after the date such participant ceases to be a director, officer, employee or consultant of the Corporation or any affiliate. The 2010 Stock Option Plan also provides that if a change of control, as defined therein in accordance with TSXV rules, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Options are non-assignable and non-transferable, although they are assignable to and may be exercisable by an optionee's legal heirs, personal representatives or guardians in certain cases.

As at the Record Date, the Corporation had 105,051,245 Common Shares and 9,670,000 options issued. All options were granted pursuant to the 2010 Stock Option Plan. If Shareholders approve and ratify the 2010 Stock Option Plan, which reserves for issuance 10% of the number of issued and outstanding Common Shares, 10,505,125 Common Shares would be reserved for issuance thereunder. As there were 9,670,000 options outstanding as at the Record Date, there would be 835,125 options available for grant pursuant to the 2010 Stock Option Plan. This number would be adjusted as the number of issued and outstanding Common Shares changes.

Under the TSXV policies, a rolling stock option plan must be approved and ratified by Shareholders on an annual basis.

At the Meeting, the Shareholders will be asked to pass an ordinary resolution, with or without amendment, to approve and ratify the Corporation's 2010 Stock Option Plan. The following is the text of the resolution to be considered by the Shareholders at the meeting. In order to be adopted, the resolution must be approved by a majority of the votes validly cast with respect thereto:

**"RESOLVED THAT:**

1. the Corporation's rolling stock option plan dated October 4, 2010 (the "**2010 Stock Option Plan**"), and all grants of options thereunder, be and are hereby approved and ratified;
2. the actions of the directors of the Corporation in approving and ratifying the 2010 Stock Option Plan are hereby ratified, confirmed and approved; and
3. any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director, be necessary to give effect to the foregoing resolution."

**Management considers the approval and ratification of the 2010 Stock Option Plan to be appropriate and in the best interests of the Corporation and recommends that Shareholders vote in favour thereof.**

**Common Shares represented by proxies in favour of management nominees will be voted in favour of such resolution unless such proxies specify that the Common Shares represented thereby shall be voted against such resolution.**

## **5. Consolidation of Outstanding Share Capital**

The Board believes that the current number of outstanding Common Shares may be required to be consolidated in order to be in a position to complete future financings in accordance with the minimum pricing policies of the Exchange. These policies provide that shares need to be issued at a minimum price of \$0.05 and that any warrants issued need to be at a minimum exercise price of \$0.05. Management believes that in order to be in a position to access financings in the future, Shareholders should provide the Corporation with approval to complete a share consolidation in the future should the Board deem it necessary and in the best interest of the Corporation. It is not the Corporation's intention to complete the consolidation unless it becomes necessary to complete a future financing or other business transaction deemed to be in the best interest of the Corporation.

Shareholders are being asked to consider and, if thought fit, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Common Shares on the basis of one new Common Share for up to ten old Common Shares, or such other ratio as may be accepted by the relevant regulatory authorities and approved by the Board with an resulting fractional shares being rounded either up or down to the next highest or lowest number of whole consolidated Common Shares as the case may be (the “**Consolidation**”) and to amend the Corporation's articles accordingly (the “**Consolidation Resolution**”). Notwithstanding approval of the Consolidation Resolution by Shareholders of the Corporation, the Board may, in its sole discretion, abandon the Consolidation Resolution without further approval or action by or prior notice to Shareholders.

Accordingly, Shareholders will be asked at the Meeting to pass a special resolution authorizing an amendment to the Corporation's articles to permit the Consolidation (the “**Consolidation Resolution**”).

**The Consolidation Resolution will be a special resolution whereby the Shareholders will be asked to approve an amendment to the articles of incorporation allowing the Corporation to consolidate its issued and outstanding Common Shares by a ratio of 10:1 or such other Consolidation ratio as may be approved by the Board and accepted by the relevant regulatory authority.**

**In addition to the approval of the Shareholders, the Consolidation requires the approval of the TSXV. As a condition to the approval of a consolidation of Common Shares listed for trading on the TSXV, the TSXV requires, among other things that a TSXV-listed issuer continue to meet the TSXV's “Continued Listing Requirements” after completion of the Consolidation. In order for the Corporation to continue to meet the applicable Continued Listing Requirements, the Corporation must have at least 150 “public shareholders” (as defined under TSXV policies) holding a certain minimum number of Common Shares, each free of “resale restrictions” (as defined under TSXV policies), after completion of the Consolidation. As a result, the Board may determine that it is necessary to implement a lower Consolidation ratio in order to satisfy the applicable Continued Listing Requirements and obtain approval of the Consolidation from the TSXV.**

**The Board may also decide to implement another Consolidation ratio for other reasons, such as to adjust to a higher stock price for the Shares or to reflect an increase in the actual or expected value of the Corporation's assets.**

**There can be no assurances whatsoever that any increase in the market price per Common Share will result from the proposed Consolidation, and there is no assurance whatsoever that a higher share price will generate increased investor interest if the proposed Consolidation is implemented.**

The Consolidation is subject to approval of the Shareholders. Notwithstanding the foregoing, as indicated in the text of the Consolidation Resolution below, the Board may, in its sole discretion, determine that the Corporation not proceed with the Consolidation. No further action on the part of the Shareholders would be required in order for the Board to implement or abandon the Consolidation.

### **Reasons for the Consolidation**

The Board believes that Shareholder approval of a maximum potential Consolidation ratio (rather than a single Consolidation ratio) provides the Board with maximum flexibility to achieve the desired results of the Consolidation, and to ensure that the Corporation remains in compliance with applicable shareholder distribution requirements of the Exchange in obtaining future financings which are an essential component in the continued business of the Corporation as a junior resource exploration company. If the Consolidation Resolution is approved, the Consolidation will only be implemented, if at all, upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its Shareholders at that time. In connection with any determination to implement the Consolidation, the Board will set the timing for such Consolidation.

#### ***Greater Investor Interest***

A higher post-Consolidation Common Share price may help generate interest in the Corporation among investors, as a higher anticipated post-Consolidation Common Share price may meet investing guidelines for certain institutional investors and investment funds that may be prevented under their investing guidelines from investing in the Common Shares at current price levels. In addition, a higher post-Consolidation Common Share price may result in changes in the price levels of the Common Shares, making them less volatile on a percentage basis.

#### ***Reduction of Shareholder Transaction Costs***

Shareholders may benefit from relatively lower trading costs associated with a higher post-Consolidation Common Share price. It is likely that many investors pay commissions based on the number of common shares traded when they buy or sell common shares. If the Common Share price was higher, investors may pay lower commissions to trade a fixed dollar amount than they would if the Common Share price was lower.

#### ***Improved Trading Liquidity***

The combination of potentially lower transaction costs and increased interest from investors may ultimately improve the trading liquidity of the post-Consolidation Common Shares.

### **Risks Factors Associated with the Consolidation**

#### ***Decline in Market Capitalization***

There are numerous factors and contingencies that could affect the pre-Consolidation Common Share and post-Consolidation Common Share prices, including general economic, stock market and industry conditions. Accordingly, the market price of the post-Consolidation Common Shares may not be sustainable at the direct arithmetic product of multiplying the pre-Consolidation Common Share price and the Consolidation Ratio, and may be lower. If the market price of the post-Consolidation Common Shares is lower than it was before the Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization (the aggregate value of all post-Consolidation Common Shares at the then market price) after the Consolidation may be lower than before the Consolidation.

### ***Potential for Adverse Effect on the Liquidity of the Common Shares***

If the Consolidation is implemented and the market price of the post-Consolidation Common Shares declines, the percentage decline may be greater than what would have occurred in the absence of the Consolidation. The market price of the post-Consolidation Common Shares would, however, also be based on the Corporation's performance and other factors, which would be unrelated to the number of post-Consolidation Common Shares outstanding. Furthermore, the liquidity of the post-Consolidation Common Shares could be adversely affected by the reduced number of post-Consolidation Common Shares that would be outstanding after the Consolidation.

### ***Decreased Tradeability of Common Shares***

The Consolidation may result in some Shareholders owning "odd lots" of less than 500 post-Consolidation Common Shares on a post-Consolidation basis. "Odd lots" may be more difficult to sell, or require greater transaction costs per post-Consolidation Common Share to sell, than post-Consolidation Common Shares held in "board lots" of even multiples of 500 post-Consolidation Common Shares.

With respect to outstanding rights to purchase Common Shares ("**Rights**"), after the Consolidation, the exercise price would be proportionately adjusted so that the holder of any Right would be entitled to receive, upon payment of the exercise price then in effect, the aggregate number of post-Consolidation Shares which, if the Right were exercised immediately prior to the Consolidation, such holder would have owned upon such exercise and been entitled to receive by virtue of the Consolidation.

### ***Principal Effects of the Consolidation***

The principal effects of the Consolidation will be that the number of Post-Consolidation Shares issued and outstanding will be reduced from 105,051,245 Pre-Consolidation Shares as of September 13, 2016 to approximately 10,505,124 Post-Consolidation Shares, pursuant to the Consolidation ratio. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will depend on the ratio selected by the Board. The following table sets out the appropriate number of Common Shares that would be outstanding as a result of the Consolidation at the ratios suggested below:

**Table 1 – Consolidation Ratio**

| <b>Proposed Consolidation Ratio<sup>(1)</sup></b> | <b>Approximate Number of Outstanding Common Shares (Post Consolidation)<sup>(2)</sup></b> |
|---------------------------------------------------|-------------------------------------------------------------------------------------------|
| 1 for 10                                          | 10,505,124                                                                                |
| 1 for 9                                           | 11,672,360                                                                                |
| 1 for 8                                           | 13,131,405                                                                                |
| 1 for 7                                           | 15,007,320                                                                                |
| 1 for 6                                           | 17,508,540                                                                                |
| 1 for 5                                           | 21,010,249                                                                                |
| 1 for 4                                           | 26,262,811                                                                                |
| 1 for 3                                           | 35,017,081                                                                                |
| 1 for 2                                           | 52,525,622                                                                                |

Notes:

(1) The ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board to effect the Consolidation.

(2) Based on the number of outstanding Common Shares as at the date hereof.

**The implementation of the Consolidation would not affect the total Shareholders' equity of the Corporation or any components of Shareholders' equity as reflected on the Corporation's financial statements except: (i) to change the number of issued and outstanding post-Consolidation Common Shares; and (ii) to change the stated capital of the post-Consolidation Common Shares to reflect the Consolidation.**

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a Shareholder who holds such Common Shares as capital property. The aggregate adjusted cost base to the

Shareholder of the post-Consolidation Common Shares immediately after the Consolidation will be equal to the aggregate adjusted cost base to the Shareholder of the pre-Consolidation Common Shares immediately before the Consolidation.

U.S. Shareholders who hold Common Shares as capital property will not recognize any gain or loss for U.S. federal income tax purposes as a result of the Consolidation. The aggregate tax basis of a Shareholder's post-Consolidation Common Shares immediately after the Consolidation will be the same as the aggregate tax basis of the Shareholder's pre-Consolidation Common Shares surrendered in exchange. The holding period of the post-Consolidation Common Shares will include the holding period of the pre-Consolidation Shares surrendered in exchange.

### **Procedure for Implementing the Consolidation**

If the Consolidation Resolution is approved by Shareholders and the Board decides to implement the Consolidation, the Corporation will file articles of amendment with the Director under the *Business Corporations Act* (Ontario) (the "OBCA") in the form prescribed by the OBCA to amend the Corporation's articles. Subject to TSXV approval, the Consolidation will become effective as specified in the articles of amendment and the certificate of amendment issued by the Director under the OBCA.

### **Share Certificates and Letter of Transmittal**

Promptly after the date the Corporation files its articles of amendment, the Corporation will give written notice thereof to all the Corporation's Shareholders and will provide them with a form of a letter of transmittal to be used for the purpose of surrendering their certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Common Shares. After the Consolidation, current issued share certificates representing pre-Consolidation Common Shares will (i) not constitute good delivery for the purposes of trades of post-Consolidation Common Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates.

#### *Fractional Shares*

No fractional Common Shares will be issued upon the Consolidation. All fractions of post-Consolidation Common Shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater.

#### *Percentage Shareholdings*

The Consolidation will not affect any Shareholder's percentage ownership in the Corporation other than by the minimal effect of eliminating fractional Common Shares, even though such ownership will be represented by a smaller number of Common Shares. Instead, the Consolidation will reduce proportionately the number of Common Shares held by all Shareholders.

In addition, the Consolidation would not materially affect any Shareholder's proportionate voting rights. Each post-Consolidation Common Share outstanding after the Consolidation would have the same rights and privileges as the pre-Consolidation Common Shares.

#### *Implementation*

The implementation of the Consolidation Resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The Consolidation Resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's Shareholders. In particular, the Board may determine not to present the Consolidation Resolution to the Meeting

or, if the Consolidation Resolution is presented to the Meeting and approved, may determine after the Meeting not to proceed with completion of the proposed Consolidation and filing of the articles of amendment.

#### *Effect on Non-Registered Holders*

Non-Registered Holders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for Registered Shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

#### **No Dissent Rights**

Under the OBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

#### **Share Consolidation Resolution**

The Board recommends that Shareholders vote for the adoption of the Consolidation Resolution. In order to be effective, the Consolidation Resolution must be approved by the affirmative vote of not less than two-thirds of the votes cast at the Meeting in respect of such resolution.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

#### **“RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. subject to approval of the TSX Venture Exchange (the “**TSXV**”), the Corporation is hereby authorized to amend its Articles to consolidate all of the issued and outstanding common shares in the capital of the Corporation (the “**Common Shares**”) on the basis of one post-consolidation Common Share for every ten pre-consolidation Common Shares, or such other consolidation ratio that the directors of the Corporation deem necessary in order for the Corporation to meet its public distribution requirements post-consolidation pursuant to TSXV policies (the “**Consolidation**”);
2. any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other documents and instruments, and to do or cause to be done all other such acts and things, as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the intent of the foregoing resolution;
3. notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the Shareholders of the Corporation, to abandon the Consolidation at any time before a certificate of amendment in respect thereof is endorsed by the registrar appointed under the *Business Corporations Act* (Ontario).

**Management considers the approval of the Consolidation Resolution to be appropriate and in the best interests of the Corporation and recommends that Shareholders vote in favour thereof.**

**Common Shares represented by proxies in favour of management nominees will be voted in favour of such resolution unless such proxies specify that the Common Shares represented thereby shall be voted against such resolution.**

## STATEMENT OF EXECUTIVE COMPENSATION

### 1. Compensation Discussion and Analysis

#### *General*

The Corporation compensates its officers and consultants in a manner designed to support the Corporation's strategic objectives, ensure that incentive programs are designed to motivate officers and consultants to achieve or exceed corporate objectives and enhance Shareholder value.

The Corporation's executive compensation is comprised of base salary, indirect compensation and long-term incentives in the form of stock options. In determining actual compensation levels, a holistic approach is used rather than considering any single element in isolation. Total compensation levels are set at levels which reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity).

The Corporation's executive compensation is granted in a manner with the following objectives in mind:

- to attract, retain and motivate qualified executives;
- to provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the Shareholders;
- to foster teamwork and entrepreneurial spirit;
- to establish a direct link between all elements of compensation and the performance of the Corporation and individual performance; and
- to integrate compensation incentives with the development and successful execution of strategic and operating plans.

#### *Option-Based Awards*

The stock-based compensation program of the Corporation provides for the granting of options to encourage officers and consultants of the Corporation to acquire a proprietary interest in the Corporation and to provide an incentive to such persons related to the performance of the Corporation. The 2010 Stock Option Plan is administered by the Board, which accepts recommendation from the Compensation Committee, at its discretion. The Compensation Committee consists of Neil Westoll, Douglas Bolton, Michael Bourassa and David Burkes. The education and related experience of each of the members of the Compensation Committee that is relevant to the performance of his responsibilities as a member of the Compensation Committee is set out in the section hereof entitled "Particulars of Matters to be Acted Upon – Election of Directors". Neil Westoll and David Burkes are independent members of the Compensation Committee, whereas Douglas Bolton and Michael Bourassa are not independent members of the Compensation Committee.

In establishing the number of options to be granted, reference is made to the number of options granted to directors and officers of other publicly-traded companies of a similar size in the mineral exploration and development business. In addition, the Board and the Compensation Committee consider previous grants of options and the overall number of options which are outstanding relative to the number of outstanding Common Shares in determining whether to grant any additional options, and the size and terms of such option grants, as well as the level of effort, time, responsibility, experience and level of commitment of the director or officer to determine the level of option compensation.

## 2. Summary Compensation Table

The following table sets forth all compensation earned by Cynthia Le Sueur-Aquin and Douglas Bolton (together, the “**Named Executive Officers**”) during the financial years ended December 31, 2015, 2014 and 2013.

| Name and Principal Position                     | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) <sup>(1)</sup> | Non-equity incentive plan compensation |                                | Pension Value (\$) | All other compensation (\$) | Total Compensation (\$) |
|-------------------------------------------------|------|-------------|-------------------------|-----------------------------------------|----------------------------------------|--------------------------------|--------------------|-----------------------------|-------------------------|
|                                                 |      |             |                         |                                         | Annual incentive plans (\$)            | Long term incentive plans (\$) |                    |                             |                         |
| Cynthia Le Sueur-Aquin President <sup>(2)</sup> | 2015 | -           | -                       | 3,080                                   | -                                      | -                              | -                  | 161,879                     | 164,959                 |
|                                                 | 2014 | 24,000      | -                       | 2,280                                   | -                                      | -                              | -                  | 259,072                     | 285,352                 |
|                                                 | 2013 | -           | -                       | 6,987                                   | -                                      | -                              | -                  | 202,758                     | 209,745                 |
| Douglas Bolton Chief Financial Officer          | 2015 | -           | -                       | 1,223                                   | -                                      | -                              | -                  | 10,300                      | 11,523                  |
|                                                 | 2014 | 24,000      | -                       | 1,900                                   | -                                      | -                              | -                  | 8,200                       | 34,100                  |
|                                                 | 2013 | -           | -                       | 1,777                                   | -                                      | -                              | -                  | 67,700                      | 69,477                  |
|                                                 |      |             |                         | 18,618                                  |                                        |                                |                    |                             |                         |

Notes:

(1) The Corporation has adopted the fair value method to account for options granted. The fair values of the options were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

|                         | December 31, 2013 | December 31, 2014 | December 31, 2015 |
|-------------------------|-------------------|-------------------|-------------------|
| Number of Options       | 1,870,000         | 1,600,000         | Nil               |
| Fair Value              | 25,560            | 12,103            | Nil               |
| Expected Life           | 10 years          | 10 years          | Nil               |
| Expected Volatility     | 121.78%           | 95.96%            | Nil               |
| Expected Dividend Yield | Nil               | Nil               | Nil               |
| Risk Free Interest Rate | 1.63%             | 2.00%             | Nil               |

(2) All amounts were paid to Quaere Strategia Inc., a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder.

Ms. Le Sueur-Aquin’s compensation is earned indirectly through a consulting agreement (the “**Quaere Agreement**”) between the Corporation and Quaere Strategia Inc. (“**Quaere**”), a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder. Pursuant to the Quaere Agreement, Quaere charges the Corporation for services rendered by Ms. Le Sueur-Aquin as President of the Corporation at a rate of \$850 per day for each day she provides services to the Corporation. Quaere provides administrative, management, corporate development, investor relations and exploration services at no additional cost to the Corporation. Ms. Le Sueur-Aquin does not otherwise draw a salary from the Corporation. The principal business address of Quaere is P.O. Box 5612, Huntsville, Ontario, P1H 2L5.

As a result in the Change of Jurisdiction, a new consulting company, AquinTerra Inc. (“AquinTerra”) was formed in September 2015. The principal business address of AquinTerra Inc. is Calgary, Alberta.

Other than the Quaere/AquinTerra Agreement and as set forth elsewhere herein, there is no written employment, consulting, management or other compensation agreement between the Corporation and a Named Executive Officer.

## 3. Incentive Plan Awards

### *Outstanding Share-based Awards and Option-based Awards as at December 31, 2015*

| Option Based Awards | Share Based Awards |
|---------------------|--------------------|
|---------------------|--------------------|

| Name                                   | 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 (4) |
|----------------------------------------|---------------------------------------------------------|----------------------------|-----------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Cynthia Le Sueur-Aquin - President     | 300,000                                                 | 0.05                       | 12/31/2024                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 510,000                                                 | 0.05                       | 12/31/2023                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 720,000                                                 | 0.10                       | 12/31/2022                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 120,000                                                 | 0.10                       | 12/31/2021                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 600,000                                                 | 0.12                       | 12/31/2020                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
| Douglas Bolton Chief Financial Officer | 250,000                                                 | 0.05                       | 12/31/2024                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 130,000                                                 | 0.05                       | 12/31/2023                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 360,000                                                 | 0.10                       | 12/31/2022                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |
|                                        | 250,000                                                 | 0.10                       | 09/20/2017                  | -                                                             | -                                                            | -                                                                      | -                                                                                   |

Note:

(1) For the purpose of calculating in-the-money values of stock options, the exercise price of each option was subtracted from the closing price of the Common Shares on December 31, 2015, which was \$0.01 per share.

| 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 (\$) |
|----------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|
| Cynthia Le Sueur-Aquin President       | 13,500                                                                 | -                                                      | -                                                                          |
| Douglas Bolton Chief Financial Officer | 6,333                                                                  | -                                                      | -                                                                          |

Notes:

(1) The aggregate dollar value that would have been realized if options had been exercised on the vesting date.

(2) For the purpose of calculating the value of options vested during the year, the exercise price of each option was subtracted from the closing Price of the Common Shares on December 31, 2015, which was \$0.01 per share.

#### 4. Termination and Change of Control Benefits

Under the AquinTerra Agreement, Ms. Le Sueur-Aquin’s consulting services may be terminated at any time upon the provision of six months written notice, or pay in lieu thereof, which pay shall be twelve times the \$18,700 monthly rate for a total of \$224,400. In the event of a Change of Control (as defined below) by way of a sale of all or substantially all of the assets of the Corporation, the Corporation is obligated to use commercially reasonable best efforts to negotiate a transaction that includes an agreement substantially similar to the Quaere Agreement.

As defined in the AquinTerra Agreement, “**Change in Control**” means any change in the holding, direct or indirect, of shares of the Corporation as a result of which,

- a. the acquisition by any Person or group of Persons “acting in concert” (as interpreted in accordance with applicable securities legislation) of Shares of rights or options to acquire Shares or any securities which are convertible into Shares or any combination thereof, such that after the completion of such acquisition such Person would be entitled, directly or indirectly, through beneficial ownership or control, to exercise 20% or more of the votes entitled to be cast at a meeting of the Shareholders of the Corporation;
- b. the sale, exchange, lease or other disposition, in a single transaction or a series of related transactions, by the Corporation of all or substantially all of the property, rights or assets of the Corporation;

- c. a plan of liquidation or dissolution of the Corporation or an agreement for the sale, liquidation or dissolution of the Corporation is approved and completed;
- d. the election at a meeting of the Corporation's Shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Corporation's Shareholders by management of the Corporation; and
- e. a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of Shareholders, or a majority of the directors resign from office over a period of sixty (60) days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors, or any other event that would be considered by the Board in its sole discretion as a Change of Control.

In the event the AquinTerra Agreement is terminated by either the Corporation or Ms. Le Sueur-Aquin within eighteen months of an event giving rise to a Change of Control, the Corporation is obligated to pay to Ms. Le Sueur-Aquin eighteen times the \$18,700 monthly fee for a total of \$336,600.

## 5. Director Compensation

### *Director Compensation Table*

The following table shows the compensation earned, awarded, paid or payable in cash by the non-executive directors for the fiscal year ended December 31, 2015.

| Name <sup>(1)</sup> | Fees Earned (\$) | Share-based awards (\$) | Option-based awards (\$) <sup>(2)</sup> | Non-equity incentive plan compensation (\$) | All other compensation (\$) | Total (\$) |
|---------------------|------------------|-------------------------|-----------------------------------------|---------------------------------------------|-----------------------------|------------|
| Michael Bourassa    | 4,100            | -                       | 1,223                                   | -                                           | -                           | 5,323      |
| David Burkes        | 6,850            | -                       | 1,223                                   | -                                           | -                           | 8,073      |
| Terrence Byberg     | 3,300            | -                       | 1,630                                   | -                                           | 2,550                       | 7,480      |
| Neil Westoll        | 3,850            | -                       | 1,223                                   | -                                           | 8,625                       | 13,698     |
| Joseph Campbell     | 3,000            | -                       | 1,223                                   | -                                           | -                           | 4,223      |

Notes:

(1) Information regarding compensation paid to Ms. Le Sueur-Aquin and Mr. Bolton is set out above under “Summary Compensation Table – Named Executive Officers”.

(2) The Corporation has adopted the fair value method to account for options granted. The fair values of the options were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

|                         | 31, December 2015 |
|-------------------------|-------------------|
| Number of Options       | Nil               |
| Fair Value              | Nil               |
| Expected Life           | Nil               |
| Expected Volatility     | Nil               |
| Expected Dividend Yield | Nil               |
| Risk Free Interest Rate | Nil               |

### *Discussion*

During the financial year ended December 31, 2015, no cash compensation was paid to the directors of the Corporation for acting in their capacity as directors; however, directors were reimbursed for expenses incurred in connection therewith. There is a schedule of payments to be made to the directors of the Corporation. These

payments have been accrued in the accounts of the Corporation but remain unpaid. Certain directors of the Corporation, including Ms. Le Sueur-Aquin, Mr. Burkes and Mr. Byberg, as already noted, received cash consideration for consulting and professional services rendered from time to time to the Corporation and/or for activities undertaken as directors of the Corporation. As at December 31, 2015 there were no stock options issued to the directors in 2015.

As stated herein, certain of the directors of the Corporation are compensated at market rates for providing professional services (e.g. accounting, exploration and development work) from time to time to the Corporation. As a result of the system of internal controls on expenses incurred by the Corporation, each member of the Board reviews and approves, among other things, all invoices submitted by the other members thereof in connection with professional services rendered by such persons to the Corporation as well as all other compensation received by any director or officer of the issuer.

***Outstanding Share-based Awards and Option-based Awards as at December 31, 2015.***

| Option Based Awards |                                                         |                                           |                             |                                               | Share Based Awards                                            |                                                                        |
|---------------------|---------------------------------------------------------|-------------------------------------------|-----------------------------|-----------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------|
| Name <sup>(1)</sup> | Number of securities underlying unexercised options (#) | Option Exercise Price (\$) <sup>(2)</sup> | Option Expiration Date (\$) | Value of unexercised in-the-money options (#) | Number of shares or units of shares that have not vested (\$) | Market or payout value of share-based awards that have not vested (\$) |
| Michael Bourassa    | 250,000                                                 | 0.05                                      | 12/31/2024                  | -                                             | -                                                             | -                                                                      |
|                     | 130,000                                                 | 0.05                                      | 12/31/2023                  | -                                             | -                                                             | -                                                                      |
|                     | 360,000                                                 | 0.10                                      | 12/31/2022                  | -                                             | -                                                             | -                                                                      |
|                     | 120,000                                                 | 0.10                                      | 12/31/2021                  | -                                             | -                                                             | -                                                                      |
|                     | 300,000                                                 | 0.12                                      | 12/31/2020                  | -                                             | -                                                             | -                                                                      |
| Terrence Byberg     | 50,000                                                  | 0.05                                      | 12/31/2024                  | -                                             | -                                                             | -                                                                      |
|                     | 330,000                                                 | 0.05                                      | 12/31/2023                  | -                                             | -                                                             | -                                                                      |
|                     | 360,000                                                 | 0.10                                      | 12/31/2022                  | -                                             | -                                                             | -                                                                      |
|                     | 120,000                                                 | 0.10                                      | 12/31/2021                  | -                                             | -                                                             | -                                                                      |
|                     | 300,000                                                 | 0.12                                      | 12/31/2020                  | -                                             | -                                                             | -                                                                      |
| David Burkes        | 250,000                                                 | 0.05                                      | 12/31/2024                  | -                                             | -                                                             | -                                                                      |
|                     | 130,000                                                 | 0.05                                      | 12/31/2023                  | -                                             | -                                                             | -                                                                      |
|                     | 360,000                                                 | 0.10                                      | 12/31/2022                  | -                                             | -                                                             | -                                                                      |
|                     | 120,000                                                 | 0.10                                      | 12/31/2021                  | -                                             | -                                                             | -                                                                      |
|                     | 300,000                                                 | 0.12                                      | 12/31/2020                  | -                                             | -                                                             | -                                                                      |
| Neil Westoll        | 250,000                                                 | 0.05                                      | 12/31/2024                  | -                                             | -                                                             | -                                                                      |
|                     | 130,000                                                 | 0.05                                      | 12/31/2023                  | -                                             | -                                                             | -                                                                      |
|                     | 360,000                                                 | 0.10                                      | 12/31/2022                  | -                                             | -                                                             | -                                                                      |
|                     | 120,000                                                 | 0.10                                      | 12/31/2021                  | -                                             | -                                                             | -                                                                      |
|                     | 300,000                                                 | 0.12                                      | 12/31/2020                  | -                                             | -                                                             | -                                                                      |
| Joseph Campbell     | 250,000                                                 | 0.05                                      | 12/31/2024                  | -                                             | -                                                             | -                                                                      |
|                     | 130,000                                                 | 0.05                                      | 12/31/2023                  | -                                             | -                                                             | -                                                                      |
|                     | 250,000                                                 | 0.10                                      | 12/31/2022                  | -                                             | -                                                             | -                                                                      |

Notes:

(1) Information regarding compensation paid to Ms. Le Sueur-Aquin and Mr. Bolton is set out above under “Summary Compensation Table – Named Executive Officers”.

(2) The Corporation has adopted the fair value method to account for options granted. The fair values of the options were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

***Incentive Plan Awards – Value Vested or Earned During the Year***

| Name <sup>(1)</sup> | Option-based awards - Value vested during the year (\$) <sup>(2)(3)</sup> | Share-based awards - Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|---------------------|---------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|
| Michael Bourassa    | 6,333                                                                     | -                                                      | -                                                                          |
| Terrence Byberg     | 6,333                                                                     | -                                                      | -                                                                          |
| Neil Westoll        | 6,333                                                                     | -                                                      | -                                                                          |

|                     |              |  |  |
|---------------------|--------------|--|--|
| <b>Joe Campbell</b> | <b>6,333</b> |  |  |
|---------------------|--------------|--|--|

Notes:

(1) Information regarding compensation paid to Ms. Le Sueur-Aquin and Mr. Bolton is set out above under “Summary Compensation Table – Named Executive Officers”.

(2) The aggregate dollar value that would have been realized if options had been exercised on the vesting date.

(3) The Corporation has adopted the fair value method to account for options granted. The fair values of the options were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

|                                | <b>December 31, 2013</b> | <b>December 31, 2014</b> | <b>December 31, 2015</b> |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Number of Options</b>       | 1,870,000                | 1,600,000                | Nil                      |
| <b>Fair Value</b>              | 25,560                   | 12,103                   | Nil                      |
| <b>Expected Life</b>           | 10 years                 | 10 years                 | Nil                      |
| <b>Expected Volatility</b>     | 121.78%                  | 95.96%                   | Nil                      |
| <b>Expected Dividend Yield</b> | Nil                      | Nil                      | Nil                      |
| <b>Risk Free Interest Rate</b> | 1.63%                    | 2.00%                    | Nil                      |

## **DIRECTORS AND OFFICERS INSURANCE**

During the last completed financial year of the Corporation, the Corporation maintained \$1,000,000 of group liability insurance for the protection of its directors and officers. In the fiscal year ended December 31, 2015, the Corporation paid an annual premium of \$5,500 for such policy. There is no deductible in the following cases: (i) Non-Indemnifiable Loss; (ii) Derivative Investigation Costs; or (iii) Crisis Loss.

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

The following table provides information as at December 31, 2015 regarding the 2010 Stock Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance, as described under the section hereof entitled “2010 Stock Option Plan”. For more information regarding the 2010 Stock Option Plan, see “Particulars of Matters to be Acted Upon – Approval of Rolling Stock Option Plan”.

| <b>Plan Category</b>                                      | <b>Number of Securities to be issued on exercise of outstanding options (Column A)</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)</b> |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by securityholders     | 9,670,000                                                                              | \$0.09                                                                             | 835,125                                                                                                                                          |
| Equity compensation plans not approved by securityholders | -                                                                                      | -                                                                                  | -                                                                                                                                                |
| <b>Total</b>                                              | <b>9,670,000</b>                                                                       | <b>\$0.09</b>                                                                      | <b>835,125</b>                                                                                                                                   |

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

None of the directors, executive officers or employees or former directors, executive officers or employees of the Corporation or proposed management nominee for election as a director of the Corporation, nor any associate of any such director, officer, employee or proposed management nominee, is or has been indebted to the Corporation at any time during the financial year ended December 31, 2015.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Management Information Circular, “informed person” of the Corporation means: (i) a director or executive officer of a reporting issuer; (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of a reporting issuer, other than voting securities held by the person or company as underwriter in the course of a distribution; and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the best of the Corporation’s knowledge, no informed person of the Corporation, no proposed director of the Corporation and no associate or affiliate of any such person, at any time since January 1, 2016, has or had any material interest, direct or indirect, in any transaction since January 1, 2016 that has materially affected the Corporation, or in any proposed transaction that would materially affect the Corporation, or in any transaction.

## CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. Under NI 58-101, the Corporation must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. This information is set out in Schedule “A” to this Management Information Circular.

## AUDIT COMMITTEE

In accordance with applicable Canadian securities legislation and, in particular, National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), information with respect to the Corporation’s Audit and Compensation Committee is contained below. The full text of the Audit and Compensation Committee Charter is attached to this Management Information Circular as Schedule “B”.

### ***Composition of the Audit and Compensation Committee***

For the financial year ended December 31, 2015, the Audit and Compensation Committee was comprised of David Burkes, Douglas Bolton, Neil Westoll and Michael Bourassa. Mr. Burkes is the Chair of the Audit Committee and Mr. Westoll is the Chair of the Compensation Committee.

The Board has determined that Neil Westoll and David Burkes are independent members of the Audit and Compensation Committee. The Board considers that Douglas Bolton and Michael Bourassa are not independent members of the Audit and Compensation Committee in that Douglas Bolton is the Chief Financial Officer of the Corporation and Mr. Bourassa is the Secretary and Treasurer of the Corporation.

The Board has determined that each of the members of the Audit and Compensation Committee are “financially literate” within the meaning of section 1.6 of NI 52-110, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

### ***Education and Relevant Experience***

The education and related experience of each of the members of the Audit and Compensation Committee that is relevant to the performance of his responsibilities as a member of the Audit and Compensation Committee is set out in the section hereof entitled “Particulars of Matters to be Acted Upon – Election of Directors”.

### ***Audit Committee Oversight***

At no time during the last financial year did the Corporation disregard a recommendation put forth by the Audit and Compensation Committee with respect to the nomination or compensation of an external auditor.

### ***Pre-Approval Policies and Procedures for Audit Services***

The Audit and Compensation Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### ***External Auditor Service Fees***

As described herein under the heading “Matters to be Acted Upon – Appointment of Auditor”, Collins Barrow LLP, Chartered Accountants is the Corporation’s external auditor. The aggregate fees billed to the corporation by Collins Barrow LLP in respect of the fiscal years ended December 31, 2015 and December 31, 2014 are set out in the table below. “Audit Fees” consist of fees for professional services for the audit of the Corporation’s annual financial statements, assistance with interim financial statements, and related matters. “Audit-Related Fees” consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and which are not reported under “Audit Fees”. “Tax Fees” consist of fees for professional services for tax compliance, tax advice and tax planning. “All Other Fees” include all fees billed by the external auditors for services not covered in the other three categories and include administration fees.

| <b>Year</b> | <b>Audit Fees</b> | <b>Audit-Related Fees</b> | <b>Tax Fees</b> | <b>Other</b> |
|-------------|-------------------|---------------------------|-----------------|--------------|
| 2015        | \$13,530.00       | Nil                       | \$2,800.00      | Nil          |
| 2014        | \$38,850.00       | Nil                       | \$2,317.50      | Nil          |
|             |                   |                           |                 |              |

### ***Reliance on Exemption***

The Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to the composition of the Audit and Compensation Committee and certain reporting obligations.

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

Except in so far as they may be Shareholders and unless otherwise disclosed in this Management Information Circular, no person who has been a director or executive officer of the Corporation at any time since January 1, 2014, or proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

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

Management knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THEIR BEST JUDGMENT.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Corporation's audited financial statements of the Corporation for the financial year ended December 31, 2015 and accompanying Management's Discussions and Analysis for the fiscal year ended December 31, 2015 are available on SEDAR, or, Shareholders may request copies to be sent to them without charge by contacting the Secretary of the Corporation, Suite 2400, 333 Bay Street, Bay Adelaide Centre, Box 20, Toronto, Ontario, M5H 2T6 (facsimile: 1-416-364-7813). Financial information with respect to the Corporation is provided in the Corporation's comparative financial statements and accompanying Management's Discussion and Analysis for its most recently completed financial year.

### **APPROVAL OF BOARD OF DIRECTORS**

The contents of this Management Information Circular and the mailing of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

**DATED** at Toronto, Ontario.

September 23, 2016

### **BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Cynthia Le Sueur-Aquin*

Cynthia Le Sueur-Aquin  
President

## SCHEDULE “A”

### DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

A summary of the Corporation’s governance initiatives in relation to the guidelines for effective corporate governance pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Guidelines* and National Policy 58-201 – *Corporate Governance Guidelines* is set out below.

#### 1. Board of Directors

*Disclose how the board of directors facilitates its exercise of independent supervision over management, including:*

- a) *the identity of directors who are independent; and*
- b) *the identity of directors who are not independent, and the basis for that determination.*

There are currently seven directors of the Corporation, being Michael Bourassa, David Burkes, Cynthia Le Sueur-Aquin, , Terrence Byberg, Douglas Bolton, Neil Westoll and Joseph Campbell. The Board of Directors considers that Neil Westoll, Gerard Lanthier and Terrence Byberg are independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

The Board of Directors considers that Cynthia Le Sueur-Aquin, Douglas Bolton and Michael Bourassa are not independent within the meaning of NI 52-110. Ms. Le Sueur-Aquin is the President of the Corporation; Mr. Bolton is the Chief Financial Officer of the Corporation; and Mr. Bourassa is the Secretary and Treasurer of the Corporation.

To facilitate the directors of the Corporation functioning independent of management, the following structures and processes are in place:

- five of the directors are not members of management; the exceptions are Cynthia Le Sueur-Aquin, Michael Bourassa and Douglas Bolton;
- when appropriate, members of management, including the President, are not present for the discussion and determination of certain matters at meetings of the Board and committees of the Board; and
- the President’s compensation is to be considered, in her absence, by the Compensation Committee and such committee’s recommendation subsequently presented to the other directors of the Corporation for consideration, with the applicable officer declaring his conflict of interest and absenting herself from determination of the issue.

#### 2. Directorships

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following director is currently a director of another issuer that is a reporting issuer (or the equivalent) in a jurisdiction of Canada:

| Name of Director | Issuer                     |
|------------------|----------------------------|
| Michael Bourassa | Armistice Resources Corp.  |
| Terrence Byberg  | Stratabound Minerals Corp. |

|                 |                                            |
|-----------------|--------------------------------------------|
| Douglas Bolton  | Adex Mining Inc., Alabama<br>Graphite Inc. |
| Joseph Campbell | TerraX Minerals Inc.                       |

### 3. **Orientation and Continuing Education**

*Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.*

The Corporation does not currently have a formal orientation program for new directors. The Board of Directors has not taken any measures to provide continuing education for directors.

### 4. **Ethical Business Conduct**

*Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.*

In light of the Corporation's stage of development and its limited number of employees, the Board of Directors has not taken formal steps to encourage and promote a culture of ethical business conduct.

### 5. **Nomination of Directors**

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including:*

- (a) who identifies new candidates; and*
- (b) the process of identifying new candidates.*

The Corporation does not currently have a formal nomination process in place. The Board of Directors, as a whole, is responsible for recommending candidates for election to the Board of Directors and filling any vacancies on the Board of Directors, where necessary.

The directors identify new candidates for nomination as directors through the following process: (i) the directors review the current composition of the Board and the skills and competencies of the existing members; (ii) the directors identify the skills and competencies desired for the Board in general compared to those of the existing directors; (iii) the directors seek candidates who have demonstrated strengths in the desired skills and competencies; (iv) the directors review the skills and competencies of the candidates; and (v) the directors nominate for election the selected candidate. An objective nomination process is encouraged by having all of the independent directors fully participate in this process.

### 6. **Compensation**

*Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:*

- (a) who determines compensation; and*
- (b) the process for determining compensation.*

The compensation of the directors and the President of the Corporation are determined by the Audit and Compensation Committee.

The Corporation is a mining exploration company and, at present, does not have positive earnings. In determining the compensation of the directors and the President, the Audit and Compensation Committee considers, among other things, the contribution of each such individual to the Corporation, the financial resources of the Corporation and the compensation received by individuals occupying similar functions in other comparable Canadian companies.

## **7. Other Board Committees**

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

In addition to the Audit and Compensation Committee, the Board of Directors has a Technical Committee and a Strategy Committee. The members of the Technical Committee are Cynthia Le Sueur-Aquin, Joseph Campbell, Terrence Byberg and Neil Westoll. The primary role of the Technical Committee is to oversee the technical aspects of exploration of the Corporation's resource properties, target potential exploration opportunities, evaluate technical information and advise and make recommendations to the board of directors of the Corporation with respect thereto.

The members of the Strategy Committee are Cynthia Le Sueur-Aquin, and Terrence Byberg. The primary role of the Strategy Committee is to assist the Board of Directors in raising financing, preparing budgets, developing long-term strategic plans, risk management and securing adequate insurance.

## **8. Assessments**

*Disclose what steps, if any, that the Board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.*

The Board of Directors, as a whole, is responsible for assessing on an ongoing basis the: (i) performance and contribution of each of the members of the Board of Directors on an individual basis; and (ii) performance and effectiveness of the Board of Directors, generally, and of the Audit and Compensation Committee, the Technical Committee and the Strategy Committee, in particular.

## SCHEDULE “B”

### AUDIT AND COMPENSATION COMMITTEE CHARTER

#### 1. Purpose

The overall purpose of the Audit and Compensation Committee (the “**Committee**”) of Laurion Mineral Exploration Inc. (the “**Corporation**”) is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditor and to oversee the financial reporting process of the Corporation.

#### 2. Composition, Procedures and Organization

- 2.1 The Committee shall consist of at least three members (each a “**Member**”) of the board of directors of the Corporation (the “**Board**”), the majority of whom shall not be employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates (as such terms are defined in the TSX Venture Exchange Corporate Finance Manual), as amended from time to time.
- 2.2 At least 25% of the members of the Committee (the “**Members**”) shall be resident Canadians.
- 2.3 At least one Member shall be “independent” and “financially literate” as such terms are defined under the *Securities Act* (Ontario) and rules and policies promulgated thereunder, as such requirements may be amended from time to time. For reference, the terms “independent” and “financially literate” are set out in “Multilateral Instrument 52-110 – Audit Committees”.
- 2.4 The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee to hold such office for the ensuing year or until their resignations or their successors are duly elected. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director shall cease to be a member of the Committee.
- 2.5 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. The chair shall be an “unrelated” director and shall not have a second, or casting, vote.
- 2.6 Complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters shall be directed to the chair of the Committee. Once received, the chair will then review them and, if appropriate, seek advice from the Corporation’s legal counsel and/or the external auditors. The chair will then present such complaints to the Committee for discussion in order to determine a course of action. If appropriate, the chair will then notify management of the Corporation to discuss a resolution of such complaints.
- 2.7 The Corporation, with the assistance of the Committee, shall provide in the Corporation’s employee handbook, if any, a policy to enable employees to submit to the chair of the Committee, on a confidential and anonymous basis, concerns regarding questionable accounting or auditing matters or shall otherwise make known to employees that concerns can be submitted to the chair of the Committee on such basis.
- 2.8 Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.

- 2.9 Meetings shall be held in accordance with the procedural rules outlined in the “Rules Governing Procedure of the Audit and Compensation Committee” attached to this Charter as Schedule “A”. In addition, meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet at least four times annually or more frequently as circumstances dictate and at such times and at such locations as the chair of the Committee shall determine;
  - (b) the Committee or at least its chair should also meet with the external auditor and management quarterly to review the Corporation’s financials in accordance with Article 3 below;
  - (c) as part of its job to foster open communication, the Committee should meet at least annually with management and the external auditor separately to discuss any matters that the Committee or either of these groups believe should be discussed privately;
  - (d) the external auditor or any member of the Committee may call a meeting of the Committee;
  - (e) the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
  - (f) the Committee may require any attendee at a meeting who is not an “unrelated” director to excuse himself or herself from any meeting.
- 2.10 The external auditor may communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.11 Compensation to members of the Committee shall be limited to directors’ fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation (other than as members of the Board and/or Board committees).
- 2.12 The Committee is authorized, at the Corporation’s expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties.

### **3. Duties**

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the Corporation’s accounting policies and practices, reporting practices and internal controls;
  - (b) establish and maintain a direct line of communication with the Corporation’s external auditor and assess their performance;
  - (c) oversee the work of the external auditor, which shall be responsible to report directly to the Committee, including resolution of disagreements between management and the auditor regarding financial reporting;
  - (d) ensure that management of the Corporation has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;

- (e) monitor the credibility and objectivity of the Corporation's financial reports;
- (f) report regularly to the Board on the fulfilment of the Committee's duties;
- (g) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 The duties of the Committee as they relate to the external auditor shall be to:

- (a) review management's recommendations for the appointment of the external auditor, and in particular its qualifications and independence, and to recommend to the Board a firm of external auditor to be engaged;
- (b) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (c) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (d) review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (e) review and approve, in advance, the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (f) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (g) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the Corporation's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- (k) review with management and the external auditor and approve the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public; and
- (m) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior years' financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to shareholders, annual information forms and management's discussion and analysis; and

- (g) oversee and review all financial information and earnings guidance provided to analysts.

3.5 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;
- (e) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to shareholders, annual information forms and management's discussion and analysis; and
- (f) oversee and review all financial information and earnings guidance provided to analysts.

3.6 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;
- (e) reviewing the funding and administration of the Corporation's compensation and pension plans;
- (f) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (g) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (h) any other questions or matters referred to it by the Board.

## SCHEDULE “C”

### LAURION MINERAL EXPLORATION INC.

#### 2010 STOCK OPTION PLAN

October 4, 2010 – [Approved by Shareholders November 5, 2010]

#### ARTICLE 1 DEFINITIONS

1.1 When used herein, the following terms shall have the following meanings:

“**Act**” means the *Business Corporations Act* (Ontario).

“**Affiliate**” has the meaning given to that term in the Act.

“**Arm’s Length**” has the meaning given to that term in the *Income Tax Act* (Canada).

“**Acquisition**” has the meaning given to that term in Section 6.2.

“**Associate**” has the meaning given to that term in the Act.

“**Black Out Period**” means the period during which designated persons cannot trade securities of the Corporation pursuant to any policy of the Corporation respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of an Insider, that Insider, is subject).

“**Board**” means the Board of Directors of the Corporation.

“**Business Day**” means a day other than a Saturday, Sunday and any other day on which the principal commercial banks in the Province of Ontario are not open for business during normal banking hours.

“**Change of Control**” means (a) the acquisition by any Person of Shares of rights or options to acquire Shares or any securities which are convertible into Shares or any combination thereof, such that after the completion of such acquisition such Person would be entitled, directly or indirectly, through beneficial ownership or control, to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation, or (b) the sale, exchange or other disposition by the Corporation of all or substantially all of the property or assets of the Corporation.

“**Committee**” means a committee of the members of the Board.

“**Companies**” means the Corporation and any Affiliate of the Corporation and “**Company**” means any one of them.

“**Consultant**” means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation who:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to a Company, other than services provided in relation to a distribution (as defined pursuant to applicable securities legislation);

- (b) provides the services under a written contract between a Company and the individual or the Consultant Company;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of a Company; and
- (d) has a relationship with a Company that enables the individual to be knowledgeable about the business and affairs of the Corporation;

**“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

**“Corporation”** means Laurion Mineral Exploration Inc.

**“Disability”** means, for any Participant, such Participant has suffered a mental or physical disability which has caused the substantial withdrawal of the Participant’s effective services to the Companies for an aggregate period of six months in any twelve month period, or such other permanent disability of a Participant as determined by the Board.

**“Directors”** means directors, senior officers and Management Company Employees of the Companies to whom stock options can be granted in reliance on a prospectus and registration exemption under applicable securities laws.

**“Discounted Market Price”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Disinterested Shareholder Approval”** means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

**“Effective Date”** means the date the Plan comes into effect as determined by the Board following receipt of all required shareholder and regulatory approvals.

**“Employee”** means:

- (a) an individual who is considered an employee of a Company under the *Income Tax Act* (Canada) (i.e. for whom income tax and other withholdings must be made at source) or similar legislation in the United States or other jurisdiction;
- (b) an individual who works full time for a Company providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for a Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

**“Exchange”** means the TSX Venture Exchange or any other stock exchange on which the shares of the Corporation are listed and posted for trading or quoted.

**“Exchange Hold Period”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Exercise Notice”** means a notice in writing in the form attached hereto as **Schedule “C”** signed by the Participant stating the Participant’s intention to exercise a particular Option.

**“Exercise Price”** means the price at which Shares may be purchased pursuant to the exercise of an Option.

**“Exercise Term”** means the period of time during which an Option may be exercised.

**“Grant Date”** means the date on which the Board grants a particular Option to a Participant under the Plan.

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

- a. a director or senior officer of the Corporation;
- b. a director or senior officer of a Company that is an Insider or Subsidiary of the Corporation;
- c. a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or
- d. the Corporation itself if it holds any of its own securities.

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

- a. the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation (i) to promote the sale of products or services of the Corporation, or (ii) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- b. activities or communications necessary to comply with the requirements of: (i) applicable securities laws; (ii) TSXV requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
- c. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

d. activities or communications that may be otherwise specified by the TSXV.

**“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation and to whom Options may be granted in reliance on a prospectus or registration exception under applicable securities laws, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.

**“Market Price”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Option”** means a right, which may be granted to a Participant pursuant to the terms of this Plan, which allows the Participant to purchase Shares at a set price for a future period of time.

**“Option Agreement”** means a signed written agreement evidencing the terms and conditions upon which an Option is granted under this Plan, substantially in the form attached hereto as **Schedule “A”** or **Schedule “B”**, as applicable.

**“Outstanding Issue”** means the aggregate number of Shares outstanding on a non-diluted basis immediately prior to the share issuance in question.

**“Participants”** means those Directors, Employees, Consultants, or Consultant Companies, whose selection to participate in the Plan is approved by the Board.

**“Person”** means an individual, firm, corporation, governmental body or other entity.

**“Plan”** means the Laurion Mineral Exploration Inc. 2010 Stock Option Plan.

**“Retirement”** means the resignation of the Participant from a Company which employed such Participant (or, in the case of a director, resignation from or non-re-election to the Board or the board of directors of a Company) as a result of the Participant attaining the age of 65 years or some other age as is agreed to by the Board.

**“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time.

**“Shares”** means the common shares in the capital of the Corporation.

**“Subsidiary”** has the meaning given to that term in the Act.

**“Termination of Service”** means, with respect to a Participant, the discontinuance of the Participant’s service relationship with any and all of the Companies, including but not limited to service as an employee of a Company, as a non-employee member of the board of directors of any of the Companies, as an independent contractor performing services for a Company, or as a Consultant to a Company. Except to the extent provided otherwise in an Option Agreement or determined otherwise by the Board, a Termination of Service shall not be deemed to have occurred if the capacity in which the Participant provides service to a Company changes (for example, a change from Consultant status to Employee status) or if the Participant transfers among the Companies, so long as there is no material interruption in the provision of service by the Participant to a Company. The determination of whether a Participant has incurred a Termination of Service shall be made by the Board in its discretion. A Participant shall not be deemed to have incurred a Termination of Service if the Participant is on military leave, sick leave, or

other bona fide leave of absence approved by the Employer of 90 days or fewer (or any longer period during which the Participant is guaranteed reemployment by statute or contract). In the event a Participant's leave of absence exceeds this period, he will be deemed to have incurred a Termination of Service on the day following the expiration date of such period.

**"TSXV"** means the TSX Venture Exchange.

**"Triggering Event"** means, with respect to a Participant, death, Disability, or Retirement.

**"United States"** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

**"U.S. Securities Act"** means the *United States Securities Act* of 1933, as amended.

**"U.S. Participant"** means any Participant that is a U.S. Person, provided that a U.S. Participant may not be a Consultant Company unless the Consultant Company is a wholly-owned alter ego of the individual Consultant.

**"U.S. Person"** means a "U.S. person" as defined in Regulation S under the U.S. Securities Act and includes, without limitation, (a) any natural person resident in the United States; (b) any partnership or corporation organized or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. person; and (d) any trust of which any trustee is a U.S. person.

## ARTICLE 2 GENERAL

**2.1 Purpose:** The purpose of this Plan is to facilitate the recruitment and retention of Participants by the Companies by providing such Participants with an opportunity to acquire Shares and participate in the Corporation's growth and development.

**2.2 Administration:**

- a. The Plan shall be administered by the Board. Subject to the terms and conditions of the Plan, the Board shall have the sole and complete authority (i) to approve the selection of Participants, (ii) to grant Options in such form as it shall determine, (iii) to impose such limitations, restrictions and conditions including, without limitation, vesting conditions and restrictions, upon such Options as it shall deem appropriate, (iv) to accelerate the vesting conditions attaching to any Option, (v) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan, and (vi) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan. The Board's determinations and actions within its authority under the Plan shall be conclusive and binding upon the Corporation and all other Persons.
- b. To the extent permitted by law, the Board may from time to time delegate to a Committee all or any of the powers conferred on the Board under the Plan. In such event, the Committee shall exercise the delegated powers in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plan in this context shall be final and conclusive.

**2.3 Eligible Participants:** Participants shall be selected from Directors (including Management Company Employees), Employees, Consultants and Consultant Companies. In approving this selection, the Board

shall consider such factors as it deems relevant, subject to the provisions of the Plan. Except in relation to Consultant Companies, Options may be granted only to an individual or a company that is wholly-owned by an individual who would otherwise be eligible for an option grant and which has submitted all requisite forms to the TSXV (including Form 4F). At the time of each option grant, the Corporation represents that the particular Participant is, as applicable, a *bona fide* Director, Management Company Employee, Employee, Consultant, or Consultant Company of a Company, as defined by the rules and policies of the TSXV.

#### **2.4 Number of Shares Reserved under the Plan:**

- a. Options may be granted in respect of authorized and unissued Shares provided that, subject to the operation of Section 3.9, the maximum aggregate number of Shares reserved for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Shares as at the date of grant of each Option under the Plan.
- b. If any Options granted under this Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Shares to which such Options relate shall be available for the purpose of granting further Options under the Plan.

#### **2.5 Limitations:** Notwithstanding any other provision of the Plan:

- a. the aggregate number of Shares reserved for issuance or granted within any 12 month period to any one individual shall not exceed 5% of the Outstanding Issue, unless the Corporation has obtained Disinterested Shareholder Approval;
- b. the aggregate number of Shares which may be granted within any 12 month period to Insiders shall not exceed 10% of the Outstanding Issue, unless the Corporation has obtained Disinterested Shareholder Approval;
- c. the aggregate number of Shares which may be granted within any 12 month period to any one Consultant is limited to 2% of the Outstanding Issue;
- d. the aggregate number of Shares which may be granted within any 12 month period to Persons employed to provide Investor Relations Activities is limited to 2% of the Outstanding Issue, and are subject to the following additional limitations:
  - (i) options issued to Consultants providing Investor Relations Activities shall vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
  - (ii) the Board shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all optionees performing Investor Relations Activities; and
  - iii) the Corporation shall ensure that a statutory exemption for the issuance of securities to a particular Participant is available or obtain a discretionary exemption from the applicable securities regulatory authority.

#### **2.6 Option Agreements:** All grants of Options under the Plan shall be evidenced by an Option Agreement. The Option Agreement shall be subject to the applicable provisions of the Plan and shall set out the Exercise Term in addition to such other provisions as are required or permitted by the Plan or which the Board may direct. Any officer of the Corporation is authorized and empowered to execute on behalf of the

Corporation any Option Agreements to be delivered to the Participants from time to time as designated by the Board.

## **2.7 Non-Assignability and Non-Transferability:**

- a. Options granted under the Plan may only be exercised by a Participant personally and no assignment, transfer, pledge or encumbrance of Options, whether voluntary, involuntary, by operation of law or otherwise, shall vest any interest or right in such Options whatsoever in any assignee, transferee, pledgee or encumbrancer, but immediately upon any assignment, transfer, pledge or encumbrance, or any attempt to make the same, such Options shall terminate and be of no further effect.
- b. Notwithstanding the provisions of Subsection 2.6a but subject to Section 3.7, in the event that a Participant dies prior to such Participant's Options having been exercised at any time or from time to time, such Options may, to the extent such Options have vested and subject to the terms of the Plan, be exercised until the first anniversary of the Participant's death by the Person or Persons to whom the Participant's rights under the Option pass by will or applicable law, or if no Person has such right, by the Participant's executors or administrators.

## **ARTICLE 3 SHARE OPTIONS**

**3.1 Award of Options:** The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, award Options for Shares to any Participant and the Corporation shall enter into an Option Agreement with each Participant.

## **3.2 Exercise Term:**

- a. Options granted to Participants may only be exercisable by the Participant if such Options have vested.
- b. Options granted to Participants may only be exercisable by the Participant if such Options have vested.
- c. Each vested Option may be exercised at any time or from time to time, in whole or in part for up to the total number of Shares to which it is then exercisable provided that no fractional shares may be purchased or issued hereunder.
- d. Subject to Sections 3.6, 3.7 and 3.9, the maximum term during which Options may be exercised shall be determined by the Board, but in no event shall the Exercise Term of an Option exceed ten years from its Grant Date.
- e. Subject to Subsection a, the provisions of the Plan and the provisions of the Option Agreement, Options may be exercised by means of giving an Exercise Notice addressed to the Corporation.
- f. Should the Option Period for an Option expire during a Black Out Period or within ten Business Days following the expiration of a Black Out Period, such Option Period shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.3, the ten Business Day period referred to in this Subsection f may not be extended by the Board.
- g. At the time an Option is granted, the Board may fix such vesting period and conditions for the Option as it may, in its sole discretion, determine to be appropriate. In the event an Option

Agreement does not specify a vesting period or conditions, such Option shall vest over time as follows:

| <b>Vesting Date</b>                               | <b>Percentage of Shares vesting on date</b> | <b>Total percentage of Shares vested on date</b> |
|---------------------------------------------------|---------------------------------------------|--------------------------------------------------|
| Date of grant                                     | 0%                                          | 0%                                               |
| Date which is one year after the date of grant    | 33.33%                                      | 33.33%                                           |
| Date which is two years after the date of grant   | 33.33%                                      | 66.66%                                           |
| Date which is three years after the date of grant | 33.34%                                      | 100.00%                                          |

### 3.3 Exercise Price:

- a. The Exercise Price of any Option for a Share shall be a price fixed for such Option by the Committee upon the grant of each such Option, provided that such Exercise Price shall not be lower than the Discounted Market Price at the time of the Grant. Where the Exercise Price is based on the Discounted Market Price, all Options and any Shares issued under Options exercised prior to the expiry of the Exchange Hold Period shall be subject to a hold period and shall bear the following legend:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ● [date which is four months and one day after the Grant Date]

- b. If the Corporation proposes to reduce the Exercise Price of Options granted to a Participant who is an Insider of the Corporation at the time of the proposed price reduction, such reduction in price shall not be effective until Disinterested Shareholder Approval has been obtained in respect of the reduction in Exercise Price.

**3.4 Payment of Exercise Price:** The Exercise Price shall be fully paid in cash at the time of exercise. No Shares shall be issued until full payment has been received therefor. As soon as practicable after receipt of any Exercise Notice and full payment, the Corporation shall issue in the name of the eligible Participant a certificate or certificates representing the Shares in respect of which an Option has been exercised.

**3.5 Exercise:** A Participant may only exercise an Option if such Participant has duly executed and delivered an Exercise Notice to the Corporation.

**3.6 Termination of Employment:** Subject to the discretion of the Board and provided that in no event shall the Exercise Term of an Option exceed one year from the date of termination contemplated in this Section 3.6, where a Participant ceases to be a Director, Officer, Employee or Consultant of the Corporation for any reason other than as contemplated in Section 3.7, each Option granted to such Participant that has then vested may be exercised by such Participant at any time within the Exercise Term or the period of 90 days

from the termination date, whichever is shorter (subject to the provisions of Subsection f and the provisions of the relevant Option Agreement), and all Options granted to such Participant that have not then vested shall immediately terminate. Notwithstanding the foregoing, all unexercised Options granted to a Participant who is terminated “with cause” shall terminate immediately upon the termination date.

**3.7 Death or Disability:** Subject to the discretion of the Board and provided that in no event shall the Exercise Term of an Option exceed one year from the date of the event contemplated in this Section 3.7, in the event of the death or Disability of a Participant, all Options which have vested at the date of death or Disability may be exercised by such Participant’s legal personal representative at any time within one year from the date of death or Disability, as the case may be, (subject to the provisions of Subsection e and the provisions of the relevant Option Agreement), and all Options granted to such Participant that have not then vested shall immediately terminate.

**3.8 Withholding Taxes:** If the Corporation in its discretion determines that it is obligated to withhold any tax in connection with the granting or exercise of any Option, or in connection with the transfer of the Shares acquired pursuant to such Option, the Participant hereby agrees that the Corporation may withhold from the Participant’s salary or other remuneration the appropriate amount of tax. At the discretion of the Corporation, the amount required to be withheld may be withheld in cash from such salary or other remuneration or in kind from the Shares otherwise deliverable to such Participant on exercise of such Option. Such Participant further agrees that if the Corporation does not withhold an amount from such Participant’s salary or other remuneration sufficient to satisfy the withholding obligation of the Corporation, such Participant will make reimbursement on demand, in cash, for the amount underwithheld.

**3.9 Exercise Upon Change of Control:**

- i. In the event that a Change of Control has occurred, each outstanding Option shall immediately become fully vested and may be exercised in whole or in part by the Participant.
- ii. In the event that the Corporation’s shareholders receive a proposal that would result in a Change of Control (a “**Take-over Proposal**”), each outstanding Option shall become fully vested and may be exercised in whole or in part (the “**Take-over Acceleration Right**”). The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10<sup>th</sup>) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve. However, in no circumstances shall the operation of this Section 3.9 extend the expiry date of such Option beyond the ten year period prescribed by Subsection d.
- iii. If a Participant elects to exercise an Option to purchase Common Shares following a Change of Control resulting from the merger or consolidation of the Corporation with any other corporation, whether by amalgamation, plan of arrangement or otherwise, the Participant shall be entitled to receive, and shall accept, in lieu of the number of Common Shares of the Corporation to which he was theretofore entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder would have been entitled to receive as a result of such merger or consolidation if, on the effective date thereof, he had been the registered holder of the number of Common Shares of the Corporation to which he was theretofore entitled to purchase upon exercise of such Options.

## ARTICLE 4 - REORGANIZATION OF THE COMPANY

- 4.1 General:** The existence of any Options shall not affect in any way the right or power of a Company or its respective shareholders to make or authorize any adjustment, recapitalization, reorganization or any other change in a Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Companies or to create or issue any shares of any class or other securities of the Companies or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Companies or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of similar character or otherwise.
- 4.2 Reorganization of Capital:** In the event of a subdivision or consolidation of the Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend which is in lieu of a cash dividend), or any other change in the capitalization of the Corporation which, in the opinion of the Board, would warrant an adjustment to the number of Shares which may be acquired on the exercise of any outstanding Options and/or an adjustment to the Exercise Price thereof in order to preserve proportionately the rights and obligations of Participants, such adjustment shall be made as may be equitable and appropriate.
- 4.3 Other Events Affecting the Corporation:** In addition to the provisions of Article 6 hereof, in the event of an amalgamation, combination, merger or other reorganization involving the Corporation, by exchange of shares of any class, by sale or lease of assets, or otherwise, which in the opinion of the Board warrants an adjustment to the number of Shares which may be acquired on the exercise of any outstanding Options and/or an adjustment to the Exercise Price thereof in order to preserve proportionately the rights and obligations of Participants, such adjustments shall be made as may be equitable and appropriate.
- 4.4 Issue by the Corporation of Additional Shares:** Except as expressly provided in this Article 4, the issue by the Corporation of shares of any class, or securities convertible into shares of any class, for money, services or property either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Corporation convertible into such shares or securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares which may be acquired on the exercise of any outstanding Options or the Exercise Price under such Options.

## ARTICLE 5 - U.S. PARTICIPANTS

### 5.1 U.S. Participants

- a. Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be acquired pursuant to the exercise of Options have been registered under the U.S. Securities Act, or under any securities law of any state of the United States. Accordingly, any U.S. Participant who is issued Shares or granted an Option shall represent, warrant, acknowledge and agree that:
- (i) the U.S. Participant is acquiring the Option and any Shares acquired upon the exercise of such Option as principal and for the account of the U.S. Participant;
  - (ii) in granting the Option and issuing the Shares to the U.S. Participant upon exercise of such Option, the Corporation is relying on the representations and warranties of the U.S. Participant to support the conclusion of the Corporation that the granting of the Option and the issue of Shares upon exercise of such Option do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;

- (iii) each certificate representing Shares issued upon exercise of such Option shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided, however, that if the Shares are being sold under clause (B) above, at a time when the Corporation is a “foreign issuer” as defined in Rule 902 of Regulation S under the U.S. Securities Act, the legend set forth above may be removed by providing a declaration to the Corporation and its registrar and transfer agent in the form set forth below or such other evidence of exemption as the Corporation or its registrar and transfer agent may from time to time prescribe (which may include an opinion satisfactory to the Corporation and its registrar and transfer agent), to the effect that the sale of the Shares is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act:

“The undersigned (a) acknowledges that the sale of the securities of Laurion Mineral Exploration Inc. (the “**Corporation**”) to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and (b) certifies that (1) the undersigned is not an “affiliate” of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities of the Corporation and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.”;

provided further, that if any of the Shares are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

- (iv) other than as contemplated in the preceding subparagraph, prior to making any disposition of any Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Securities Act, the U.S. Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (v) other than as contemplated in this Section 5.1, the U.S. Participant will not attempt to effect any disposition of the Shares owned by the U.S. Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Shares in the manner so proposed;
- (vi) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the U.S. Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (vii) the effect of these restrictions on the disposition of the Shares acquired by a U.S. Participant pursuant to the Plan is such that the U.S. Participant may not be able to sell or otherwise dispose of such Shares for a considerable length of time, other than as contemplated in this Section 5.1.

## ARTICLE 6 - CORPORATE TRANSACTIONS

- 6.1 Liquidation; Dissolution:** In the event of a proposed liquidation or dissolution of the Corporation, the Board may, upon written notice to the Participants, provide that all of the then unexercised Options will (a) become exercisable in full as of a specified time prior to the effective date of such liquidation or dissolution, and (b) terminate effective upon such liquidation or dissolution, except to the extent exercised before such effective date. The Board may specify the effect of a liquidation or dissolution on any Option in the Option Agreement.
- 6.2 Consolidation:** Notwithstanding Section 3.9, if the Corporation is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Corporation's assets, sale of a majority of the voting power of the stock of the Company then outstanding, or otherwise (an "**Acquisition**"), subject to prior approval of the TSXV, the Board may, as to outstanding Options, either (a) make appropriate provisions for the continuation of all such Options (or substitution of equivalent options of the acquiring or surviving corporation), with appropriate adjustments, on an equitable basis, to the number and kind of shares and prices for such Options; (b) upon written notice to the Participants, provide that all Options must be exercised, to the extent then exercisable, within a specified number of days of the date of such notice, at the end of which period the Options will terminate; or (c) terminate all Options in exchange for a cash payment (or payment in such other form of consideration to be received by the holders of Shares in

such merger) equal to the excess of the Fair Market Value of the Shares subject to such Options (to the extent then exercisable or, at the discretion of the Committee, all Options being made fully exercisable for purposes of this Section 6.2) over the Exercise Price thereof.

- 6.3 Assumption of Options by the Corporation:** Subject to prior approval of the TSXV, the Corporation, 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 to the extent deemed necessary by the Board. 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 number of Shares subject to the Option and Exercise Price

## **ARTICLE 7 - MISCELLANEOUS PROVISIONS**

- 7.1 Rights of Participant:** The Plan shall not give any individual the right to be employed by or be a director of a Company or to continue to be employed by or continue to be a director of a Company. No Participant shall have any rights as a shareholder of the Corporation in respect of Shares issuable on the exercise of any Option until the allotment and issuance to the Participant of such Shares.
- 7.2 Regulatory Acceptances:**
- a. The Plan is subject to the ratification by the shareholders of the Corporation to be effected by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance for filing by the TSXV. The Board is authorized to amend the text hereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities, provided that no such amendment will in any way derogate from the rights held by Participants holding Options (vested or unvested) at the time thereof without the consent of such Participants.
  - b. The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to the acceptance for filing thereof by the Exchange. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Corporation to issue such Shares shall terminate and any exercise price for an Option paid to the Corporation shall be returned to the Participant forthwith without interest or deduction.
- 7.3 Amendment or Discontinuance:** The Board may, at any time or from time to time, amend, suspend or terminate the Plan or any provisions thereof in such respects as it, in its discretion, may determine appropriate provided, however, that no amendment, suspension or termination of the Plan shall, without the consent of any Participant or such Participant's legal personal representatives, as applicable, alter or impair any rights or obligations arising from any Option previously granted to a Participant under the Plan.

- 7.4 Governing Law:** This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without regard to conflict of laws principles, and the parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- 7.5 Compliance with Applicable Law:** If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.
- 7.6 Gender and Number:** Words importing the singular include the plural and vice versa; and words importing gender include all genders.
- 7.7 Term of the Plan**
- a. The Plan shall be effective on the Effective Date determined by the Board, subject to its approval by the shareholders of the Corporation and acceptance for filing by the TSXV pursuant to Section 7.2 hereof.
  - b. The Plan shall be effective until terminated by the Board pursuant to Section 7.3 hereof.

## SCHEDULE "A"

### STOCK OPTION PLAN - OPTION AGREEMENT FOR PARTICIPANTS OUTSIDE THE UNITED STATES

This Option Agreement is entered into pursuant to the provisions of the Stock Option Plan (the "Plan") of Laurion Mineral Exploration Inc. (the "Corporation") and evidences that \_\_\_\_\_ is the holder (the "Option Holder") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of Cdn.\$ ● per Share (the "Exercise Price"). This Option may be exercised at any time and from time to time from and including the Grant Date of \_\_\_\_\_, 20 \_\_, ["Grant Date"] through to and including up to 5:00 p.m. local time in Toronto, Ontario (the "Expiry Time") on \_\_\_\_\_, 20 \_\_, [the "Expiry Date"].

The Option holder hereby represents and warrants to the Company that: (1) the Options have not been offered to the Option Holder in the United States, and the Option Holder was not in the United States when the Options were granted; and (2) the Option Holder is not a U.S. Person and the Option Holder is not holding the Options on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person.

To exercise this Option, the Option Holder must deliver to the Corporation, prior to the Expiry Time on the Expiry Date, an Exercise Notice in the form attached hereto as Exhibit "1", together with the original copy of this Option Agreement and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Agreement and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Agreement is entered into for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

If the Exercise Price is a Discounted Market Price (as such term is defined in the Plan), any share certificates issued pursuant to an exercise of such Option before ● [date four months and one day after Grant Date] shall be subject to a hold period and shall bear the legend set forth in Section 3.3 of the Plan.

The Options and the Shares issuable upon exercise of the Options have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered or sold in the United States or to a U.S. Person without registration under the U.S. Securities Act and compliance with the securities laws of all applicable states, or compliance with the requirements of an exemption therefrom. If the Option Holder is a resident of the United States or a U.S. Person at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (iii) of the Plan.

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (iii) of the Plan.

This Option was granted to the Option Holder in his, her or its capacity as a *bona fide* \_\_\_\_\_ of the Corporation or the Corporation's Affiliate, \_\_\_\_\_.

**LAURION MINERAL EXPLORATION INC.**

Per:

\_\_\_\_\_  
Authorized Signing Officer

The Option Holder acknowledges receipt of a copy of the Plan and hereby represents, warrants, acknowledges and agrees as set forth in Subsections 1.1(c)(i) through 1.1(c)(vii) of the Plan, and also represents and warrants to the Corporation that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Corporation on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

## OPTION AGREEMENT – SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Agreement are as follows:

The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:

- (a)     • Shares (•%) will vest and be exercisable on or after the Grant Date;
- (b)     • additional Shares (•%) will vest and be exercisable on or after • [date];
- (c)     • additional Shares (•%) will vest and be exercisable on or after • [date]; and
- (d)     • additional Shares (•%) will vest and be exercisable on or after • [date].

Unless otherwise determined by the Board, the Options will terminate in accordance with Section 3.6 and Section 3.5 of the Plan.

## SCHEDULE “B”

### STOCK OPTION PLAN – OPTION AGREEMENT FOR U.S. PARTICIPANTS

This Option Agreement is entered into pursuant to the provisions of the Stock Option Plan (the “Plan”) of Laurion Mineral Exploration Inc. (the “Corporation”) and evidences that \_\_\_\_\_ is the holder (the “Option Holder”) of an option (the “Option”) to purchase up to \_\_\_\_\_ common shares (the “Shares”) in the capital stock of the Corporation at a purchase price of Cdn.\$ ● per Share (the “Exercise Price”). This Option may be exercised at any time and from time to time from and including the Grant Date of \_\_\_\_\_, 20\_\_\_\_, [“Grant Date”] through to and including up to 5:00 p.m. local time in Toronto, Ontario (the “Expiry Time”) on \_\_\_\_\_, 20\_\_\_\_, [the “Expiry Date”].

To exercise this Option, the Option Holder must deliver to the Corporation, prior to the Expiry Time on the Expiry Date, an Exercise Notice in the form attached hereto as Exhibit “1”, together with the original copy of this Option Agreement and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Agreement and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Agreement is entered into for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

If the Exercise Price is a Discounted Market Price (as such term is defined in the Plan), any share certificates issued pursuant to an exercise of such Option before ● [date four months and one day after Grant Date] shall be subject to a hold period and shall bear the legend set forth in Section 3.3 of the Plan.

The Options and the Shares issuable upon exercise of the Options have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and may not be offered or sold in the United States or to a U.S. Person without registration under the U.S. Securities Act and compliance with the securities laws of all applicable states, or compliance with the requirements of an exemption therefrom. If the Option Holder is a resident of the United States or a U.S. Person at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (c)(iii) of the Plan.

If the Option Holder is a resident of California, it represents and warrants that it is an “accredited investor”, as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, and acknowledges that it must be an “accredited investor” at the time of exercise of the Options or provide evidence to the Corporation in a form satisfactory to the Corporation that the Shares may be issued without registration under the applicable securities laws of the state of California.

This Option was granted to the Option Holder in his, her or its capacity as a *bona fide* \_\_\_\_\_ of the Corporation or the Corporation’s Affiliate, \_\_\_\_\_.

**LAURION MINERAL EXPLORATION INC.**

Per:

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Authorized Signing Officer

The Option Holder acknowledges receipt of a copy of the Plan and hereby represents, warrants, acknowledges and agrees as set forth in Subsections 1.1(c)(i) through 1.1(c)(vii) of the Plan, and also represents and warrants to the Corporation that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Corporation on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

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Signature

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Date signed

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Print Name

---

Address

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## OPTION AGREEMENT – SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Agreement are as follows:

The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:

- (e)     • Shares (•%) will vest and be exercisable on or after the Grant Date;
- (f)     • additional Shares (•%) will vest and be exercisable on or after • [date];
- (g)     • additional Shares (•%) will vest and be exercisable on or after • [date]; and
- (h)     • additional Shares (•%) will vest and be exercisable on or after • [date].

Unless otherwise determined by the Board, the Options will terminate in accordance with Section 3.6 and Section 3.5 of the Plan.

## SCHEDULE "C"

### NOTICE OF EXERCISE

**TO: LAURION MINERAL EXPLORATION INC.**

**ATTENTION: SECRETARY**

The undersigned Option Holder or his or her legal personal representative(s) permitted under the Laurion Mineral Exploration Inc. stock option plan, as same may be amended from time to time, (the "**Plan**") hereby irrevocably elects to exercise the Option for the number of Shares as set forth below:

Number of Options to be Exercised: \_\_\_\_\_

Exercise Price per Share: \_\_\_\_\_

Aggregate Exercise Price: \_\_\_\_\_

and hereby tenders a certified cheque or bank draft for such aggregate exercise price, and directs such Shares to be issued and registered as directed below, all subject to and in accordance with the Plan. Unless they are otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

The undersigned Option Holder hereby represents, warrants and certifies to Laurion Mineral Exploration Inc. (the "**Corporation**") as follows (one (only) of the following must be checked):

- A. ☐ (i) The Shares issuable upon exercise of the Option have not been offered to the Option Holder in the United States; (ii) the Option Holder was not in the United States at the time of exercise of the Option for the Shares; and (iii) the Option Holder is not, and has not been at any time at or after the date of grant of the Option, a U.S. Person and the Option Holder is not purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person or for resale in the United States.
- B. ☐ (i) The Shares issuable upon exercise of the Option were offered to the Option Holder in the United States, (ii) the Option Holder was in the United States at the time of exercise of the Option for the Shares; or (iii) the Option Holder is, or has been at some time at or after the date of grant of the Option, a U.S. Person or the Option Holder is purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person or for resale in the United States.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. "U.S. Person" and "United States" are as defined in Regulation S under the U.S. Securities Act of 1933, as amended. A "U.S. Person" includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States. The "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

If the undersigned Option Holder is resident in the state of California at the time of exercise of the Option, the undersigned Option Holder hereby represents, warrants and certifies to the Corporation that the undersigned Option Holder is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities

Act at the time of exercise of the Option or has provided herewith other evidence to the Corporation in a form satisfactory to the Corporation that the Shares may be issued without registration under the applicable securities laws of the state of California.

Dated: \_\_\_\_\_, 20\_\_\_\_

**SIGNED AND WITNESSED** )

in the presence of )

\_\_\_\_\_ )

Print Name: )

\_\_\_\_\_ )

\_\_\_\_\_ )

\_\_\_\_\_ )

\_\_\_\_\_ )

\_\_\_\_\_ )

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Type or Print Name of Option Holder

Direction as to Registration:

\_\_\_\_\_

Name of Registered Holder

\_\_\_\_\_

\_\_\_\_\_

Address of Registered Holder