

VELA MINERALS LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of the shareholders of Vela Minerals Ltd. (the "Corporation") will be held at 18, 1220 – 59th Avenue SE, Calgary, Alberta, on Friday, September 18, 2015, at 10:00 a.m. MST, for the following purposes:

to receive the financial statements of the Corporation for the financial year ended October 31, 2014 and the report of the auditors thereon;

to elect the directors for the ensuing year;

to re-appoint Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration;

to transact such further and other business as may properly come before the meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on August 14th, 2015 are entitled to notice of, to attend and vote at the meeting either in person or by proxy.

Specific details of the above items of business are contained in the information circular of management which accompanies this notice of meeting and, together with management's form of proxy, which also accompanies this notice of meeting, form a part hereof and must be read in conjunction with this notice of meeting. The enclosed form of proxy appoints nominees of management as proxyholder and you may amend the form of proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the meeting.

If you are a non-registered holder of shares and receive these materials through your broker or another intermediary, please complete and return the form of proxy in accordance with instructions provided to you by your broker or such other intermediary.

DATED at Calgary, Alberta, this 14th day of August, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Charles Chebry
Chief Executive Officer and a Director

If you are unable to be present at the meeting, PLEASE SIGN AND RETURN THE ACCOMPANYING PROXY to: Computershare, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the meeting or any adjournment or postponement thereof.

VELA MINERALS LTD.

INFORMATION CIRCULAR

(Containing information as at August 14th, 2015, unless otherwise indicated.)

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Vela Minerals Ltd. (the "Corporation") for use at the annual general and special meeting of the shareholders of the Corporation to be held at #18, 1220 – 59 Avenue SE, Calgary, AB, on September 18th, 2015, at 10:00 a.m. MST, or at any adjournments or postponements thereof, (the "Meeting") for the purposes set forth in the accompanying notice of meeting.

While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally, by telephone or by electronic means by the directors, officers and regular employees of the Corporation at nominal cost. All costs of the solicitation of proxies by management will be borne by the Corporation.

APPOINTMENT OF PROXIES

The persons named in the accompanying form of proxy are directors or officers of the Corporation and are nominees of management. A shareholder has the right to appoint a person or company, who need not be a shareholder, to represent the shareholder at the Meeting other than those persons named in the accompanying form of proxy and may exercise that right either by striking out the names of the persons named in the accompanying form of proxy and inserting the desired person's or company's name in the blank space provided in the form of proxy or by completing another proper form of proxy.

The instrument appointing a proxy must be in writing and signed by the shareholder or his or her attorney duly authorized in writing, or, if the shareholder is a corporation, either under the seal of the corporation or signed by a duly authorized officer or representative of or attorney for such corporation. A form of proxy will not be valid unless the completed form of proxy and the power of attorney or other authority, if applicable, under which it is signed, or a notarially certified copy thereof is deposited at the office of Computershare, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or any adjournments thereof.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing, including a form of proxy bearing a later date, signed in the manner set forth above, and deposited at the office of Computershare, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1, to the attention of the Chief Executive Officer of the Corporation, at any time up to the business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the chair of the Meeting on the day of the Meeting, or if adjourned, any reconvening thereof, before any vote in respect of which the proxy is to be used shall have been taken. A proxy may also be revoked in any other matter provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

USE OF PROXY AND DISCRETIONARY POWERS

If the instructions in the form of proxy are certain, and if the instrument of proxy is duly completed and delivered and has not been revoked, the shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted on any poll accordingly. Where no choice is specified by a shareholder on a resolution shown on the form of proxy, or where instructions on the form of proxy are uncertain, the persons named in the accompanying form of proxy will vote the shares represented by the form of proxy as if the shareholder had specified an affirmative vote. A simple majority of the common shares in the capital stock of the

Corporation (the “Common Shares”) voted on any resolution is required on the matters to be placed before the Meeting for a vote.

The accompanying form of proxy confers discretionary authority upon the person(s) appointed proxy thereunder to vote all shares represented by the form of proxy on any amendments or variations to the matters identified in the notice of meeting or any other matters that may properly come before the Meeting. At the time of printing this information circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. In the event that amendments or variations to matters identified in the notice of meeting are properly brought before the Meeting or any other matter properly comes before the Meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment on such matters.

NOTICE TO BENEFICIAL SHAREHOLDERS

These meeting materials are being sent to both registered and non-registered shareholders. If you are a non-registered shareholder and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary/broker holding on your behalf.

Shareholders whose Common Shares are not registered in their own name are referred to in this information circular as “Beneficial Shareholders”. There are two kinds of Beneficial Shareholders: those who have objected to their name being made known to the Corporation (called “OBOs” for Objecting Beneficial Owners) and those who have not objected (called “NOBOs” for Non-Objecting Beneficial Owners).

The Corporation can request and obtain a list of their NOBOs from intermediaries via its transfer agent and can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Corporation has decided to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Corporation’s transfer agent, Computershare. These voting instruction forms are to be completed and returned to the transfer agent in the envelope provided or by facsimile. Alternatively, NOBOs can call a toll-free number or access the transfer agent’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. The transfer agent will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by voting instruction forms they receive. By choosing to send these materials to you directly, the Corporation (and not the intermediary/broker holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your instructions as specified in the request for voting instruction.

The Corporation does not intend to pay for intermediaries to deliver proxy-related materials or Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to the objecting beneficial owners of Common Shares (“OBOs”) and as such, OBOs will not receive such materials unless their intermediary assumes the costs thereof. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to an OBO by its broker is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the OBO. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a special voting instruction form, mails those forms to the OBOs and asks for appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. OBOs are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, OBOs can call a toll-free telephone number or access www.proxyvotecanada.com’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. Broadridge then tabulates the results of all voting instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. OBOs who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

Beneficial shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of depositing a form of proxy. If you are a beneficial shareholder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Beneficial shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Common Shares voted at the Meeting.

VOTING SECURITIES AND QUORUM

As at August 14th, 2015, 10,574,711 Common Shares of the Corporation were issued and outstanding. There are no other classes of voting securities of the Corporation authorized for issuance.

Only shareholders of record at the close of business on August 14, 2015, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting. Each Common Share entitles the holder to one vote on all matters to come before the Meeting.

Quorum for the Meeting is at least two (2) persons present in person and holding or representing by valid proxy not less than five percent (5%) of the Common Shares entitled to vote at the Meeting.

On a show of hands, every shareholder who is present in person and entitled to vote will have one vote, and on a poll, every shareholder present in person or represented by proxy or other proper authority will have one vote for each share of which he or she is the registered holder. In the case of an equality of votes, the chairman shall not have a second vote.

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying ten percent (10%) or more of the voting rights attached to the issued and outstanding Common Shares of the Corporation, other than the following:

Name of Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾	Percentage of Outstanding Common Shares
Charles Chebry	4,485,000	42.4%
Derrick Strickland ⁽²⁾	1,366,667	12.9%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation has been based solely upon reports filed on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca and early warning reports filed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.
- (2) The 1,366,667 Common Shares held by Mr. Strickland are registered in the name of Tyro Industries Corp., a corporation controlled by Mr. Strickland.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

A copy of the audited financial statements of the Corporation and the auditors' report for the year ended October 31, 2014, is included with this Information Circular.

Proposal #1 – Fixing the Number of Directors

The articles of the Corporation provide that the number of directors to comprise the Board of Directors of the Corporation may be the greater of three (3) and the most recently set by ordinary resolution of the shareholders. Currently the Board consists of six (6) directors, each of whom has a term of office which expires at the close of the Meeting. It is proposed that the Board be fixed at six (6) directors.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the number of directors of the Corporation being fixed at six (6).

The directors of the Corporation recommend that the shareholders vote FOR the number of directors of the Corporation being fixed at six (6).

Proposal #2 – Election of Directors

At the Meeting it is proposed that six (6) directors be elected to serve until the next annual general meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Corporation. To the knowledge of management of the Corporation, none of the nominated directors will be unable to serve as a director of the Corporation.

In the following table, for each person proposed to be nominated by management for election as a director, is stated his name, his province or state, and country of residence, his principal occupation, business or employment during the past five years, previous service as a director of the Corporation, and the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by him as at the date hereof. The information contained in this table as to the number of common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly is based upon information furnished to the Corporation by the respective nominees. The Corporation also has established an Audit Committee and Compensation Committee, the current members of which are indicated in the table:

Name, Province or State, and Country of Residence ⁽¹⁾	Principal Occupation, Business or Employment, and if not Previously Elected as a Director, Principal Occupation, Business or Employment During the Past Five Years ⁽¹⁾	Previous Service as a Director	Number of Common Shares ⁽¹⁾
Charles Chebry ⁽⁴⁾ Alberta, Canada	Chief Executive Officer of the Corporation; President of CC Management Inc., a company providing consulting and management services to exploration companies; businessman.	May 19, 2011	4,485,000 42.2%
Derrick Strickland, British Columbia, Canada	President of the Corporation; CEO and President of Tyro Industries Corp., a company providing geological consulting and management services to mineral exploration companies, independent geologist.	May 19, 2011	1,366,667 ⁽²⁾ 12.9%

Name, Province or State, and Country of Residence⁽¹⁾	Principal Occupation, Business or Employment, and if not Previously Elected as a Director, Principal Occupation, Business or Employment During the Past Five Years⁽¹⁾	Previous Service as a Director	Number of Common Shares⁽¹⁾
Dale Hansen ⁽⁴⁾ Alberta, Canada	Chief Financial Officer of the Corporation; President Novus Leadership Services Ltd. providing consulting services to public listed companies; IT project management; accountant.	May 19, 2011	380,000 3.6%
John McCaffrey ⁽³⁾ Alberta, Canada	President of Focal Point Consulting Ltd. providing financial and governance consulting to private and public listed companies; financial reporting and accounting.	Sept. 10, 2012	62,000 0.6%
Braden Fletcher ⁽³⁾⁽⁴⁾ British Columbia, Canada	Technology entrepreneur with Coast; Investment banking services for Canaccord Genuity Corp., Byron Capital Markets Ltd. and Sea to Sky Equities, Chrysalix Energy Venture Capital; businessman.	Jan. 2, 2013	nil
Kent Britton ⁽³⁾⁽⁴⁾ Alberta, Canada	Partner in Stony Mountain Waste Management, former Chief Operating Officer Asia for Walton International Group Inc.; businessman.	Jan. 2, 2013	nil

Notes:

- (1) This information has been furnished by the respective directors individually.
- (2) The 1,366,667 Common Shares are owned by Tyro Industries Corp., a corporation controlled by Derrick Strickland.
- (3) Members of the Audit Committee include: John McCaffrey, Braden Fletcher and Kent Britton.
- (4) Members of the Compensation Committee include: Charles Chebry, Dale Hansen and Braden Fletcher.

To the knowledge of management, no proposed director, at the date hereof, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect 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 which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of management, no proposed director or a holding company of such proposed director: (i) is, as at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

To the knowledge of management, no proposed director or a holding company of such proposed director has been subject to: (i) 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 (ii) 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.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the director nominees whose names are set forth herein. Management does not contemplate that any of these nominees will be unable to serve as a director. If, prior to the Meeting, any of the nominees are unable or decline to so serve, the persons named in the accompanying form of proxy will vote for another nominee if presented, or reduce the number of directors accordingly, in their discretion.

The directors of the Corporation recommend that the shareholders vote FOR the election of the director nominees whose names are set forth herein.

Proposal #3 – Re-appointment of Auditors

The Corporation's external auditors are Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants. At the Meeting, the shareholders will be called upon to re-appoint Kenway Mack Slusarchuk Stewart LLP as auditors of the Corporation, to hold office until the next annual general meeting of the Corporation, at a remuneration to be fixed by the Board.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the re-appointment of Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual general meeting of the Corporation, at a remuneration to be fixed by the Board.

The directors of the Corporation recommend that the shareholders vote FOR the re-appointment of Kenway Mack Slusarchuk Stewart LLP.

Proposal #4 – Re-approval of Plan

As a "rolling" stock option plan, the Option Plan is required to be approved by the shareholders each year at the Corporation's annual general meeting. In accordance with the TSX Venture Exchange requirements, the Option Plan will be placed before the shareholders for approval at the Meeting.

The text of the resolution regarding this matter is as follows:

"BE IT RESOLVED as an ordinary resolution of the shareholders that, subject to the approval of the TSX Venture Exchange:

1. the Corporation's Option Plan, in substantially the form attached as Schedule "C" to the management information circular of the Corporation dated August 14th, 2015, be and is hereby approved and adopted as the Option Plan of the Corporation;
2. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation to execute and deliver all documents and instruments and take such other actions, including making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to implement this resolution and the matter authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action."

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the resolution to approve the Plan.

The directors of the Corporation recommend that the shareholders vote FOR the resolution to approve the Plan.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

During the financial year ended October 31, 2014, the Corporation had four executive officers who were also directors of the Corporation: Charles Chebry, Derrick Strickland, John McCaffrey and Dale Hansen. On May 8th, 2014 Dale Hansen replaced John McCaffrey as CFO of the Corporation following John McCaffrey's resignation from the position.

The Corporation does not have a formal compensation program. The Board relies on the recommendations of the Compensation Committee and the experience of the directors to ensure that total compensation paid to the Corporation's management is fair and reasonable.

The Compensation Committee is comprised of the following members as at the date hereof: Braden Fletcher (independent), Kent Britten (independent), and Charles Chebry (not independent), each of whom have significant managerial experience.

The responsibilities of the Compensation Committee in respect of compensation matters includes reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation and non-CEO officer and director compensation, the review of executive compensation disclosure, succession plans for officers and for key employees and material changes and trends in human resources policy, procedure, compensation and benefits.

The Compensation Committee meets to discuss and determine management compensation as required, without reference to formal objectives, criteria, or analysis. The general objectives of the Corporation's compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management's interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives, and;
- to ensure that total compensation paid takes into account the Corporation's overall financial position.

The compensation to executive officers is comprised of salaries or management fees paid to companies controlled by executive officers and incentive stock options in accordance with the Corporation's stock option plan. In establishing levels of cash compensation and the granting of stock options, the executive officer's performance, level of expertise, responsibilities, time spent, and comparable levels of remuneration paid to executive officers of peer companies are considered.

Incentive stock options are granted pursuant to the Corporation's Stock Option Plan, which is designed to encourage share ownership on the part of management, directors, employees, and consultants. The Board believes that the Option Plan aligns the interests of the Corporation's personnel with shareholders by linking compensation to the longer term performance of the Corporation's shares. The granting of incentive stock options is a significant component of executive

compensation as it allows the Corporation to reward each executive officer's efforts to increase shareholder value without requiring the use of the Corporation's cash reserves.

Stock options are generally granted at the time a director is appointed to the Board, or an executive officer is hired or engaged, and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options. The Board does not use a formal quantitative valuation technique in determining the granting of options; rather, current and forward-looking market conditions are assessed qualitatively in decisions to grant stock options.

Objectives

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the Board to endeavor to ensure that the compensation of the Named Executive Officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board considers the Corporation's contractual obligations, performance, quantitative financial objectives including relative share value as well as the qualitative aspects of the individual's contributions, performance and achievements.

Elements of the Compensation Program

The Corporation's compensation program is comprised of (i) base salary or management fee arrangements and benefits; (ii) short-term incentive program; and (iii) long-term incentives and stock option plan. Each component of the executive compensation program is addressed below.

Base Salaries or Management Fee Arrangement and Benefits

The Compensation Committee reviews the annual salaries for the Named Executive Officers annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the Named Executive Officers are not determined based on a specific formula. In its review, the Compensation Committee considers recommendations prepared by the President and CEO, which, in addition to recommendations for the other Named Executive Officers, includes a recommendation for the President and CEO's executive compensation. As stated above, base salaries and management fee arrangements are set so as to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not currently provide any pension or retirement benefits to the Named Executive Officers.

Short-Term Incentive

Bonuses are performance based short-term financial incentives and may be paid based on certain indicators such as personal performance, achievement of significant objectives such as financings or acquisitions, and the Corporation's budget and financial strength. Bonus levels will be determined by level of position of the Named Executive Officer with the Corporation. No bonuses were paid to the Named Executive Officers in the financial year ended October 31, 2014.

Long Term Incentives and Incentive Stock Option Plan

The Board also administers the Option Plan that is designed to provide a long-term incentive that is linked to shareholder value. The Board, on recommendations from the Compensation Committee, determines the number of options to be granted to each Named Executive Officer based on the level of responsibility and experience required for the position. The Board sets the number of options so as to attract and retain qualified and talented employees. The Board also takes account of the Corporation's contractual obligations and the award history for all participants in the incentive stock option plan.

Risks Associated with the Corporation's Compensation Policies and Practices

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation practices and has determined that there are no significant areas of risk.

Named Executive Officer Purchase of Financial Instruments

The Corporation has not adopted a policy to prohibit Named Executive Officers and directors from purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds (collectively, "Hedging Contracts") that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Based on information provided to the Corporation by the Named Executive Officers and directors, as of the date of this Circular, no Named Executive Officer or director has purchased any Hedging Contracts with respect to the Corporation.

Significant Changes to Compensation Policies and Practices in 2014

As of the date of this Circular, the Corporation has not determined if it will be making any significant changes to its compensation policies and practices in 2014.

Summary Compensation Table

The following table provides a summary of the compensation earned in respect of the last financial year by (i) any individual who acted as Chief Executive Officer or Chief Financial Officer of the Corporation for any part of the most recently completed financial year, (ii) each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000, and (iii) each individual who would have been an executive officer under (ii) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year (the "Named Executive Officers"):

Name and Principal Position	Year	Salary (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans		
Charles Chebry CEO	2014	nil ⁽³⁾	nil	nil	nil	nil	nil
	2013	nil	nil	nil	nil	nil	nil
John McCaffrey CFO ⁽²⁾	2014	nil	nil	nil	nil	nil	nil
	2013	\$20,000	nil	nil	nil	nil	\$20,000
Derrick Strickland President	2014	nil	nil	nil	nil	nil	nil
	2013	nil	nil	nil	nil	nil	nil
	2012	nil	\$9,000	nil	nil	nil	\$9,000
Dale Hansen CFO ⁽²⁾	2014	\$18,000	nil	nil	nil	nil	\$18,000
	2013	\$8,000	nil	nil	nil	nil	\$8,000
	2012	\$4,000	\$9,000	nil	nil	nil	\$13,000

Note:

- (1) A non-cash amount representing the fair value of the option awards at the grant date calculated using the Black Scholes method of accounting.

- (2) John McCaffrey served as CFO of the Corporation for the period of Jan. 3rd, 2013 to May 8th, 2014. Dale Hansen has served as CFO of the Corporation from inception to January 3rd, 2013 and again from May 8th, 2014 to present.
- (3) A salary of \$30,000 was accrued for Charles Chebry at year end 2014. This accrual was subsequently reversed in Q1 of 2015.

Consulting Agreements

The Corporation has no consulting agreements at this time.

Incentive Plan Awards

The following table sets forth, for each Named Executive Officer, all option-based and share-based awards outstanding at the end of the most recently completed financial year.

Name	Option-Based Awards				Share-based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Charles Chebry	150,000	\$0.15	Oct. 24, 2017	nil	nil	nil
Derrick Strickland	150,000	\$0.15	Oct. 24, 2017	nil	nil	nil
Dale Hansen	150,000	\$0.15	Oct. 24, 2017	nil	nil	nil
John McCaffrey	150,000	\$0.15	Oct. 24, 2017	nil	nil	nil

Note:

- (1) Based upon the difference between the closing market price of the Common Shares on the TSX Venture Exchange on October 31, 2014, being \$0.025, and the exercise price of the option.

The following table sets forth the value of option-based and share-based awards and non-equity incentive plan compensation vested or earned by the Named Executive Officers during the most recently completed financial year:

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Charles Chebry	nil	nil	nil

Derrick Strickland	nil	nil	nil
Dale Hansen	nil	nil	nil
John McCaffrey	nil	nil	nil

Note:

- (1) The aggregate value of the option-based awards vested during the financial year is based on the difference between the closing market price of the Common Shares on the TSX Venture Exchange on the vesting date of the options and the exercise price of the options.

All option-based awards are issued pursuant to the Corporation's Incentive Stock Option Plan. For more information on the Incentive Stock Option Plan, see "Approval of Incentive Stock Option Plan" below.

Pension Plan Benefits

The Corporation does not have a defined benefit plan, deferred contribution plan or a deferred compensation plan.

Termination and Change of Control Benefits

There are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or its subsidiaries or a change in a Named Executive Officer's responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than \$150,000).

Compensation of Directors

The following table provides a summary of compensation provided to the directors of the Corporation, who are not Named Executive Officers, for the most recently completed financial year. See "Summary Compensation Table" above for any compensation received by Named Executive Officers for services as a director of the Corporation.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Kent Britten	nil	nil	nil	nil	nil	nil	nil
Braden Fletcher	nil	nil	nil	nil	nil	nil	nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	860,000	\$0.15	197,471
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	860,000	\$0.15	197,471

Note:

- (1) The sole compensation plan approved by security-holders is the Option Plan.
- (2) The number of Common Shares available for issuance under the Option Plan is not to exceed 10% of the Corporation's issued and outstanding Common Shares on a non-diluted basis.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No director, executive officer or employee and no former director, executive officer or employee of the Corporation is indebted to the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

No individual who is, or at any time during the Corporation's most recently completed financial year was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time during the Corporation's most recently completed financial year was, indebted to (i) the Corporation or any of its subsidiaries or (ii) indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below and elsewhere in this information circular, to the knowledge of management of the Corporation, no person who is an informed person of the Corporation, nor any proposed director of the Corporation, nor any associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Except as disclosed below, there are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person other than the directors or executive officers of the Corporation or subsidiary.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as described elsewhere in this information circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

AUDIT COMMITTEE INFORMATION

Charter of the Audit Committee

The charter for the Audit Committee of the Corporation is attached as Schedule "A" to this information circular.

Composition of the Audit Committee

The Audit Committee of the Corporation presently consists of Braden Fletcher, Kent Britton, and John McCaffrey. John McCaffrey chairs the Audit Committee.

Two of the members of the Audit Committee of the Corporation are "independent" and each member is "financially literate", as such terms are defined in National Instrument 52-110 – Audit Committees ("NI – 52-110"). John McCaffrey is not independent by virtue of his former position as Chief Financial Officer of the Corporation.

Relevant Education and Experience

The education and experience of each Audit Committee member of the Corporation that is relevant to the performance of his or her responsibilities as an Audit Committee member is described below:

All of the members of the audit committee have gained their experience by participating in the management of publicly traded companies other than the Corporation and they are all financially literate. They all have 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.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee of the Corporation to nominate or compensate an external auditor not adopted.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year did the Corporation rely upon an exemption from the provisions of NI 52-110 (i) for de minimis non-audit services or (ii) granted by applicable securities regulatory authorities.

Prior Approval Policies and Procedures

The Audit Committee's charter provides that it is responsible for pre-approving any non-audit services to be provided to the Corporation by the external auditor and the fees for these services. The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (by category)

Effective May 21, 2014 Kenway Mack Slusarchuk Stewart LLP, “KMSS”, Chartered Accountants, are the Corporation’s external auditors. The following table sets forth, by category, the fees billed by KMSS for the years ended 2014 and 2013 respectively:

Fee Category	Fees Paid	
	2014	2013
Audit Fees	\$11,000	\$14,000
Audit-Related Fees	nil	nil
Tax Fees	\$1,000	\$1,000
All Other Fees	nil	nil
Total:	\$12,000	\$14,000

Exemption

As a “venture issuer”, as defined in NI 52-110, the Corporation is exempt from (and has relied upon such exemption pursuant to section 6.1 of NI 52-110) the requirements in Part 3 of NI 52-110 relating to the composition of audit committees and Part 5 of NI 52-110 relating to certain reporting obligations.

CORPORATE GOVERNANCE

Disclosure of the Corporation’s corporate governance practices within the context of *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (“NI 58-101”) is attached as Schedule “B” to this information circular.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s consolidated financial statements and management’s discussion and analysis for the Corporation’s most recently completed financial year. Copies of the Corporation’s financial statements and management’s discussion and analysis are available upon request from the Corporate Secretary of the Corporation at 160, 1209-59 Ave. SE, Calgary, AB T2H 2P6.

OTHER BUSINESS

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the notice of meeting accompanying this information circular. However, if any other matters properly come before the Meeting, the persons named in the form of proxy accompanying this information circular will vote the same in accordance with their best judgment on such matters.

DATED at Calgary, Alberta this 14th day of August, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Charles Chebry”
Chief Executive Officer, Chairman and a Director

SCHEDULE “A”
VELA MINERALS LTD.
AUDIT COMMITTEE DISCLOSURE (FORM 52-110F2)

ITEM 1: AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Committee”) of Vela Minerals Ltd. (the “Corporation”) is to assist the Corporation’s board of directors (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s system of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- review and appraise the performance of the Corporation’s external auditors (the “Auditor”); and
- provide an open avenue of communication among the Corporation’s Auditor, management and the Board.

Composition, Procedures and Organization

The Committee shall consist of at least three members. Each member must be a director of the Corporation. A majority of the members of the Committee shall not be officers or employees of the Corporation or of an affiliate of the Corporation. At least one (1) member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term “financially literate” means 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 issues that can reasonably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be appointed by the Board at its first meeting following the shareholders’ meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Meetings of the Committee

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours’ advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation’s annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements.

The Committee may invite to its meeting any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review the Corporation's financial statements, including any certification, report, opinion, or review rendered by the Auditor, Management Discussion and Analysis and any annual and interim earnings press releases before the Corporation publicly discloses such information.
- (b) Review and satisfy itself that adequate procedures are in place and review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
- (c) Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Corporation.
- (d) Require the Auditor to report directly to the Committee.
- (e) Review annually the performance of the Auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (f) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- (g) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- (h) Recommend to the Board the external auditor to be nominated at the annual meeting for appointment of the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.
- (i) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Corporation.
- (j) Review with management and the Auditor the audit plan for the annual financial statements.
- (k) Review and pre-approve all audit and audit-related services and fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;
- (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

- (l) In consultation with the Auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (m) Consider the Auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (n) Consider and approve, if appropriate, changes to the Corporation's auditing accounting principles and practices as suggested by the Auditor and management.
- (o) Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
- (p) Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
- (q) Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
- (r) Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (s) Discuss with the Auditor the Auditor's perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
- (t) Review any complaints or concerns about any questionable accounting, internal account controls or auditing matters.
- (u) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (v) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- (w) Report regularly and on a timely basis to the Board on the matters coming before the Committee.
- (x) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

Authority

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Corporation in order to perform its duties;
- (b) to engage, at the Corporation's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the external auditors of the Corporation.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

At the present date, the members of the audit committee are Braden Fletcher, Kent Britton, and John McCaffrey. They are all considered "independent" (except John McCaffrey as a result of his former position as CFO of the Corporation) and "financially literate", as those terms are defined in Multilateral Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators.

ITEM 3: AUDIT COMMITTEE OVERSIGHT

At no time since the incorporation of the Corporation's was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Corporation's Board.

ITEM 4: RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that an audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 25% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

ITEM 5: PRE-APPROVAL OF POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have not been formulated or adopted by the Committee. Subject to the requirements of the Instrument, the engagement of non-audit services shall be considered by the Corporation's Board, and where applicable, by the Committee, on a case by case basis.

ITEM 6: EXTERNAL AUDITOR SERVICES FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by the external auditor in each of the last two (2) fiscal years are as follows:

Financial Year	Audit Fees	Audit Related Fees	Tax Fees	All other Fees
2014	\$11,000	nil	\$1,000	nil
2013	\$14,000	nil	\$1,000	nil

ITEM 7: EXEMPTION

In respect of the period since the Corporation's incorporation, the Corporation is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

**SCHEDULE “B”
VELA MINERALS LTD.
CORPORATE GOVERNANCE DISCLOSURE**

GENERAL

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Regulator authorities have implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board’s Responsibility

There is no specific written mandate of the Board of Directors of the Corporation, other than the corporate standard of care set out in the governing corporate legislation of the Corporation, i.e. the Board of Directors has overall responsibility for the management, or supervision of the management, of the business and affairs of the Corporation. The Board’s primary tasks are to establish the policies, courses of action and goals of the Corporation and to monitor management’s strategies and performance for realizing them. All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation’s business are subject to approval by the full Board of Directors. The Board of Directors does not currently have in place programs for succession planning and training of directors and management. As the growth of the Corporation continues, the Board of Directors will consider implementing such programs. In order to carry out the foregoing responsibilities the Board of Directors meets on a quarterly basis and as required by circumstances.

Composition of the Board

The Board is comprised of six directors, of whom Braden Fletcher and Kent Britton are considered independent for the purposes of NI 58-101. As a result of Charles Chebry, Derrick Strickland, Dale Hansen and John McCaffrey’s positions as Chief Executive Officer, President, Chief Financial Officer and former Chief Financial Officer, respectively, Messrs. Chebry, Strickland, McCaffrey, and Hansen are not considered independent for the purposes of NI 58-101.

Directorships

The current directors of the Corporation who are presently directors of other reporting issuers in Canada or elsewhere:

Name of Director	Other Reporting Issuer
Derrick Strickland	Monster Mining Corp, and Arrow Gold Corp.
Kent Britton	Montana Gold Mining Company Inc.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Board meetings are sometimes held at the Corporation’s facilities and are combined with tours and presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business. In addition, management of the Corporation makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board of Directors has not adopted a formal written code of ethics. As the growth of the Corporation continues, the Board of Directors will consider implementing such policies.

Nomination of Directors

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, as the Corporation has recently improved its financial position, the Corporation intends to move again towards the creation of formal Compensation and Nominating Committee.

Determination of Compensation of Directors and Officers

The Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors and officers of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public corporation. See "Executive Compensation".

Board Committees

The Board has developed a mandate for the audit committee and reviews such mandate annually. The mandate of the audit committee is described in this Circular under the heading "Audit Committee". As the growth of the Corporation continues, the Board of Directors will review its corporate governance practices and implement a more comprehensive corporate governance practices, including the nomination of a corporate governance committee, when appropriate.

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Concluding Statement

The Corporation has reviewed a number of the recommendations for improved corporate governance. As the Corporation continues to build on its financial position and prospects, the Board of Directors intends to implement further corporate governance policies and procedures, including the establishment of formal committees and formal codified policies.

**SCHEDULE “C”
VELA MINERALS LTD.
INCENTIVE STOCK OPTION PLAN**

STOCK OPTION PLAN

(Adopted by the Board on November 30, 2011 and Adopted by Shareholders on April 3, 2013)

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions:** For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) “Act” means the *British Columbia Business Corporations Act* or its successor, as amended from time to time;
- (b) “Black Out Period” means the period during which designated persons cannot trade Common Shares 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 Corporation, or in respect of an insider, that insider, is subject);
- (c) “Business Day” means each day other than a Saturday, Sunday or statutory holiday in British Columbia;
- (d) “Committee” means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan, which includes any compensation committee of the board;
- (e) “Common Shares” means the Common Shares of the Corporation, as adjusted in accordance with the provisions of Section 5.06 of the Plan;
- (f) “Consultant” means a person, other than an employee or a director of the Corporation or of any Designated Affiliate of the Corporation, that:
 - (i) is engaged to provide services to the Corporation or any Designated Affiliate of the Corporation, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract with the Corporation or any Designated Affiliate of the Corporation;
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any Designated Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or any Designated Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Issuer.

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (g) “Consulting Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Consultant relating to, or entered into in connection with, services to be provided to the Corporation or a Designated Affiliate by the Eligible Consultant;
- (h) “Corporation” means Vela Minerals Ltd., a corporation incorporated under the Act and its successors and assigns;
- (i) “Designated Affiliate” means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;
- (j) “Directors” means the board of directors of the Corporation from time to time;
- (k) “Eligible Consultants” means bona fide Consultants of the Corporation or any Designated Affiliate of the Corporation;
- (l) “Eligible Directors” means the Directors or the directors of any Designated Affiliate of the Corporation from time to time;
- (m) “Eligible Employees” means bona fide employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation;
- (n) “Employment Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Employee relating to, or entered into in connection with, the employment of the Eligible Employee or between the Corporation or a Designated Affiliate and an Eligible Director with respect to his or her directorship or resignation therefrom;
- (o) “Market Price” means the last closing trading price of the Common Shares on the Stock Exchange, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs;
- (p) “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (q) “Optionee” means a Participant to whom an Option has been granted pursuant to the Plan;
- (r) “Option Period” means the period of time during which the particular Option may be exercised and commences on the date of the grant of the Option, unless otherwise specified by the Committee;
- (s) “Participant” means each Eligible Employee, Eligible Director and Eligible Consultant;
- (t) “Plan” means this stock option plan; and
- (u) “Stock Exchange” means the TSX Venture Exchange or if not listed on this exchange any other stock exchange upon which the Common Shares are listed for trading.

Section 1.02 Securities Definitions: In the Plan, the terms “affiliate”, “associate” and “insider” shall have the meanings given to such terms in the *Securities Act* (British Columbia). The term “affiliate” shall include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnership, trusts, income trusts or investment trusts or any other organized entity issuing securities. The term “insider” shall include associates and affiliates of the insider.

Section 1.03 Headings: The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 **References to this Plan:** The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 **Purpose of the Plan:** The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of employees, officers, directors and consultants of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by employees, officers, directors and consultants of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees, officers, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of the Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors or in the absence of a committee of the Directors, by the full board of Directors, including any compensation committee of the board of directors, which delegation may be revoked at any time.

Section 2.04 **Record Keeping:** The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 **Determination of Participants and Participation:** The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the number of Common Shares to be issued to the Participants to whom Options shall be granted, the number of Common Shares to

be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Number of Shares Available under the Plan: There shall be available at all times for issuance under the Plan that number of Common Shares as is equal to 10% (on a non-diluted basis) of the number of issued and outstanding Common Shares of the Corporation from time to time. For greater certainty, the number of Common Shares available for issuance under the Plan shall not be decreased as a result of the issuance of Common Shares upon the exercise of Options nor increased upon the surrender, termination or expiry of Options unexercised in whole or in part. If the Corporation repurchases for cancellation Common Shares such that the foregoing percent test is not met following such repurchase, this shall not constitute non-compliance under the Plan. Expired or cancelled options are returned to the plan.

Section 2.07 Further Limitations to the Issuance of Shares under the Plan:

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant the Plan shall not exceed 5% of the issued shares of the Corporation (determined at the date the option was granted) to any one individual in a 12 month period, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (b) The number of options granted to any one Consultant in a 12 month period shall not exceed 2% of the issued shares of the Corporation, calculated at the date the option was granted to the Consultant.
- (c) The aggregate number of options granted to persons employed to provide Investor Relations Activities (as defined in the policies of the Stock Exchange) must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date the option was granted.

ARTICLE THREE

STOCK OPTION PLAN

Section 3.01 The Stock Option Plan and Participants: A stock option plan is hereby established for Eligible Employees, Eligible Directors and Eligible Consultants.

Section 3.02 Exercise Price: The price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall be not lower than the Market Price of the Common Shares at the time the Option is granted, and if the Common Shares are not listed on a stock exchange, the fair market value of the Common Shares at the time the Option is granted as determined by the Committee.

Section 3.03 Term of Option:

- (a) The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract or Consulting Contract, provided that no Option Period shall exceed 10 years.
- (b) Should the expiration date for an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiration date 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, provided that in no event shall the Option Period exceed 10 years.

Notwithstanding Section 5.02, the ten Business Day period referred to in this Section 3.03(b) may not be extended by the Committee.

Section 3.04 Limit on Options to be Exercised: Subject to compliance with the policies of the Stock Exchange, the Committee shall determine the manner in which an Option shall vest and become exercisable. Options granted to Insiders and options granted at a discount to Market Price shall have a hold period of four months from the date of issue.

Notwithstanding the foregoing, Options issued to Consultants performing Investor Relations Activities shall vest over 12 months with no more than 25% of the Options vesting in any three month period.

Section 3.05 Eligible Participants on Exercise: An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period as specified in Section 3.04, provided however that, except as otherwise specifically provided in Section 7.01 hereof or in any Employment Contract or Consulting Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and
- (c) in the case of an Eligible Consultant, a Consultant of the Corporation or a Designated Affiliate and has been a such a Consultant continuously since the date of grant of such Option.

Section 3.06 Payment of Exercise Price

- (a) **Direct Exercise:** The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised plus any amount the Corporation determines, in its discretion, is required to satisfy the Corporation's withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Common Shares, and payment of such amounts to the Corporation is in cash or by certified cheque delivered to the registered office of the Corporation together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Subject to Section 6.03 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised and any amount required to satisfy withholding tax and source deduction requirements, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 3.07 Necessary Approvals: The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

ARTICLE FOUR**WITHHOLDING TAXES AND SECURITIES LAWS
OF THE UNITED STATES OF AMERICA**

Section 4.01 **Withholding Taxes:** The Corporation or any Designated Affiliate may take such steps as it considers necessary or appropriate for the deduction and withholding of any taxes and other required source deductions which the Corporation or the Designated Affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Options, the exercise or surrender by an Optionee of any Options or any issuance of any Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit from any cash remuneration or other amount payable to the Optionee, whether or not related to the Plan, any Options, the exercise or surrender by an Optionee of any Options or the issuance of any Common Shares; (ii) allow the Optionee to make a cash payment to the Corporation equal to the amount required to be remitted, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Optionee; or (iii) sell, on behalf of the Optionee, that number of Common Shares to be issued upon the exercise of Options such that the amount withheld by the Corporation from the proceeds of such sale will be sufficient to satisfy any taxes required to be remitted by the Corporation for the account of the Optionee. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to an Optionee on the exercise of Options may be made conditional upon the Optionee (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted for the account of the Optionee.

Section 4.02 **Securities Laws of the United States of America:** Neither the Options which may be granted pursuant to the provisions of the Plan nor the Common Shares which may be acquired pursuant to the exercise of Options have been registered under the United States Securities Act of 1933, as amended (the "U.S. Act"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America;
- (c) other than as contemplated by subsection 4.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. 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. Act and then will only dispose of such Common Shares in the manner so proposed;
- (d) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and

ARTICLE 5

GENERAL

Section 5.01 **Effective Date of the Plan:** The Plan shall become effective upon a date to be determined by the Directors.

Section 5.02 **Amendment or Discontinuance of the Plan:** The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan shall:

- (a) be subject to any regulatory approvals, including the approval of the Stock Exchange, where required;
- (b) be subject to shareholder approval in accordance with the rules of the Stock Exchange in circumstances where the amendment, modification or change to the Plan or Option would increase the fixed maximum percentage of Common Shares which may be issued pursuant to the Plan;
- (c) be subject to disinterested shareholder approval in accordance with the rules of the Stock Exchange if the Optionee is an insider of the Corporation at the time of the amendment;
- (d) not be subject to shareholder approval in any circumstance (other than those listed in (b) and (b) above), including, but not limited to, circumstances where the amendment, modification or change to the Plan or Option would:
 - (i) be of a “housekeeping nature”, including any amendment to the Plan or an Option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) change the exercise price of an Option to a exercise price not below the Discounted Market Price (as defined by the policies of the Stock Exchange), unless the change is a reduction in the exercise price of an Option held by an insider of the Corporation;
 - (iii) alter, extend or accelerate any vesting terms or conditions in the Plan or any Option other than an Option held by an insider of the Corporation;
 - (iv) amend or modify any mechanics for exercising any Option;
 - (v) change the expiration date (including acceleration thereof) or change any termination provision in any Option, provided that such change does not entail an extension beyond the original expiration date of such Option (subject to such date being extended by virtue of Section 3.04(b));
 - (vi) change the application of Section 6.01 (Consolidation, Merger etc.), Section 5.06 (Adjustment in Number of Shares Subject to the Plan) or Section 6.02 (Securities Exchange Take-over Bid) of the Plan;
 - (vii) add a form of financial assistance or amend a financial assistance provision which is adopted; or
 - (viii) change the eligible Participants of the Plan.

The Directors may discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not adversely alter or impair any Option previously granted.

Section 5.03 **Non-Assignable:** No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 5.04 **Rights as a Shareholder:** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of exercise of any Option.

Section 5.05 **No Contract of Employment:** Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

Section 5.06 **Adjustment in Number of Shares Subject to the Plan:** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 5.07 **No Representation or Warranty:** The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

Section 5.08 **Compliance with Applicable Law:** If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

ARTICLE 6

CONSOLIDATION, TAKEOVER

Section 6.01 **Consolidation, Merger, etc.:** If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable. The Committee may, in the circumstances of such a transaction, send notice to all Optionee requiring them to surrender their Options within 10 days of the mailing of such

notice, and the Optionee shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality.

Section 6.02 Securities Exchange Take-over Bid: In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (British Columbia)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the Offeror, either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the Offeror, the Committee may, in the circumstances of such a transaction, send notice to all Optionee requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionee shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to each Optionee entitling the Optionee to acquire, upon exercise of such replacement options either: (i) the number of equity securities of the Offeror and, if applicable, cash which the Optionee would have received pursuant to the take-over bid if the holder had exercised the Option immediately prior to such bid; or (ii) if the consideration payable pursuant to the bid is a combination of cash and equity securities of the Offeror, the number of equity securities of the Offeror, as determined by the Committee acting in good faith, that the Optionee would have received had the consideration pursuant to the bid consisted solely of equity securities; and
- (b) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 6.03 Acceleration on Take-over Bid: If there is a take-over bid (within the meaning of the *Securities Act* (British Columbia)) made for all or any of the issued and outstanding Common Shares, then all Options outstanding become immediately exercisable, notwithstanding Section 3.04 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

ARTICLE 7

TERMINATION

Section 7.01 Effect of Termination: If a Participant:

- (a) dies while an Optionee, any Option held by such Optionee at the date of death shall become immediately exercisable notwithstanding Section 3.03 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of twelve months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner.
- (b) ceases to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death);
- (c) ceases to be employed by, or be an officer of, the Corporation and any of its Designated Affiliates (and is not or does not continue to be a director thereof), for any reason (other than death), including circumstances involving receipt of notice from the Corporation or any of its Designated Affiliates of the termination of his or her Employment Contract; or
- (d) ceases to be engaged by, or be a Consultant of the Corporation and any of its Designated Affiliates, for any reason (other than death), including circumstances involving receipt of notice from the Corporation or any of its Designated Affiliates of the termination of his, her or its Consulting Contract;

(collectively, "Termination") then with respect to (b), (c) and (d) above, such Participant may, but only within 30 days next succeeding such Termination, exercise his or her Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that in no event shall such right extend beyond the Option Period.

Section 7.02 Section 7.01 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.
