



NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of shareholders of Castle Peak Mining Ltd. (the “**Company**”) will be held at 108 – 970 Burrard Street, Vancouver, British Columbia, Canada V6Z 2N4 at 11:00 a.m. (Vancouver time) Monday, November 30, 2020 for the following purposes:

1. To receive the report of the directors of the Company;
2. To receive the audited financial statements of the Company for the financial years ended December 31, 2019 and accompanying reports of the auditor;
3. To appoint Davidson & Company LLP, Chartered Accountants, as the auditor of the Company for the ensuing year at a remuneration to be fixed by the directors;
 1. To set the number of directors of the Company at five;
 2. To elect the directors of the Company for the ensuing year;
 3. To consider and, if thought fit, to pass an ordinary resolution to approve the stock option plan, as more particularly set out in the accompanying Information Circular;
 4. To transact such other business as may properly come before the Meeting.
5. The accompanying Information Circular provides additional information relating to the matters to be considered at the Meeting. The directors of the Company have fixed October 22, 2020 as the record date for determining the shareholders who are entitled to receive notice of and vote at the Meeting.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc., the Company’s transfer agent, no later than 11:00 am (Vancouver time) on November 26, 2020, at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Registered shareholders of the Company have the right to dissent with respect to certain of the matters to be considered at the Meeting, as more particularly described in the accompanying Information Circular. Those registered shareholders who validly exercise dissent rights will be entitled to be paid fair value of their common shares. In order to validly exercise dissent rights, registered shareholders must strictly comply with the dissent procedures as set out in Sections 237 to 247 of the *Business Corporations Act* (British Columbia), a copy of which is set out in the accompanying Information Circular as Schedule A and as more particularly described in the accompanying Information Circular.

DATED at Vancouver, British Columbia on October 26, 2020.

CASTLE PEAK MINING LTD.

“Allan Green”

ALLAN GREEN
Chief Executive Officer and Director



**MANAGEMENT INFORMATION CIRCULAR
As at and dated October 26, 2020**

**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 30, 2020**

SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies being made by the management of Castle Peak Mining Ltd. (the “Company”) for use at the Annual General and Extraordinary Meeting of the Company’s shareholders to be held on November 30, 2020 (the “Meeting”) at the time and place and for the purposes set out in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

All costs of this solicitation will be borne by the Company.

PROXY INSTRUCTIONS

Shareholders who cannot attend the Meeting in person may vote by proxy if the shareholder is a registered shareholder, or provide voting instructions as provided herein if a non-registered shareholder, either by mail, by phone or over the internet. Proxies and/or voting instructions must be received by Computershare Investor Services Inc., the Company’s transfer agent, (“**Computershare**”) no later than 11:00 am (Vancouver time) on November 26, 2020, at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

A Proxy returned to Computershare will not be valid unless dated and signed by the shareholder or by the shareholder’s attorney duly authorized in writing or, if the shareholder is a corporation or association, the form of Proxy must be executed by an officer or by an attorney duly authorized in writing. If the form of Proxy is executed by an attorney for an individual shareholder or by an attorney of a shareholder that is a corporation or association, the instrument so empowering the attorney, as the case may be, or a notarial copy thereof, must accompany the form of Proxy. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to shareholders. The securities represented by Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The form of Proxy confers discretionary authority upon the named proxyholder with respect to matters identified in the accompanying Notice of Meeting. If a choice with respect to such matters is not specified, it is intended that the person designated by management in the form of Proxy will vote the securities represented by the Proxy **in favour of** each matter identified in the proxy.

The Proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying Notice of Meeting and other matters which may properly come before

the Meeting. As at the date of this Circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

APPOINTMENT OF PROXYHOLDER

A shareholder has the right to designate a person (who need not be a shareholder of the Company), other than Iyad Jarbou, director and/or officer of the Company and the management designee, to attend and act for the shareholder at the Meeting. If you are returning your Proxy to Computershare, such right may be exercised by inserting in the blank space provided in the enclosed form of Proxy the name of the person to be designated or by completing another proper form of Proxy and delivering it to Computershare as provided above, or to the Chairman of the Meeting.

REVOCATION OF PROXIES

In addition to revocation in any manner permitted by law, you may revoke your Proxy by an instrument in writing signed by you as registered shareholder or by your attorney duly authorized in writing. If you are a representative of a registered shareholder that is a corporation or association, the instrument in writing must be executed by an officer or by an attorney duly authorized in writing. The revocation must be deposited with the Company's registered office, c/o Nuraney Law Group, 108 – 970 Burrard Street, Vancouver, British Columbia, V6Z 2N4 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such Proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the Proxy is revoked. In addition, shareholders can also change their vote by phone or via the internet pursuant to the voting instructions provided to the registered shareholder.

Only registered shareholders have the right to revoke a Proxy. Non-registered shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their Intermediary to arrange to change their voting instructions.

SPECIAL INSTRUCTIONS FOR VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “**Non-Registered Shareholder**”) but which are registered in the name of an intermediary (the “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans; or in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders - those who object to their name being made known to the Company (called OBOs for “**Objecting Beneficial Owners**”) and those who do not object to the Company knowing who they are (called NOBOs for “**Non-Objecting Beneficial Owners**”).

The Company takes advantage of certain provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), which permit the Company to directly deliver proxy-related materials to NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a scannable voting instruction form (a “**VIF**”), together with the meeting materials from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive. The Company is not sending proxy-related materials using notice-and-access this year.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF to Computershare or the NOBO must submit, to the Company or Computershare, any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxy holder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxy holder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxy holder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxy holder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time. If a NOBO or a nominee of the NOBO is approved as a proxy holder pursuant to such request, the appointed proxy holder will need to attend the Meeting in person in order for their votes to be counted.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the meeting materials to the Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the meeting materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to OBOs. With those meeting materials, Intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company will pay for intermediaries to deliver the proxy-related materials and request for voting instruction form to OBOs.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the Intermediary or its service provider or the OBO must submit, to their Intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxy holder. In such circumstances an Intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxy holder in respect of those securities. Under NI 54-101, if an Intermediary appoints an OBO or the nominee of the OBO as a proxy holder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the Intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an Intermediary who appoints an OBO or its nominee as proxy holder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the Intermediary obtains the instructions at least one (1) business day before the termination of that time. If the OBO or a nominee of the OBO is appointed a proxy holder pursuant to such request, the appointed proxy holder will need to attend the Meeting in person in order for their votes to be counted.

These proxy related materials are being sent to both registered shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Company has sent these proxy related materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities requirements from the Intermediary on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

No director or executive officer of the Company at any time since the beginning of the Company’s most recently completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any such 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, except as set out in this Management Proxy Circular and except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at the date of this Circular, 132,763,360 common shares without par value were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting. October 22, 2020 has been fixed by the directors of the Company as the record date for the purpose of determining those shareholders entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, only the following shareholders beneficially own, or control or direct, directly or indirectly common shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Company entitled to vote at the Meeting:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed (directly or indirectly)	Percentage of Issued and Outstanding Common Shares as of the date hereof ⁽¹⁾
Grizal Enterprises Ltd. (“Grizal”)	37,882,353 ⁽²⁾	28.53%
Allan Green ⁽³⁾	34,025,167 ⁽³⁾	25.63%

Notes:

(1) The information as to the number and percentage of common shares beneficially owned, directly or indirectly, or controlled or directed, has been obtained from the System for Electronic Disclosure by Insiders (“**SEDI**”) as of the date of this Circular.

(2) Grizal Enterprises holds 17,882,353 common shares directly and 20,000,000 through Marsevia Holdings Ltd.

(3) Mr. Green holds 554,000 common shares directly and 33,471,167 through Candel & Partners SAS (“**Candel**”). On a fully diluted basis, Mr. Green beneficially owns, directly or indirectly, 34,025,167 common shares representing 25.63% of the issued and outstanding common shares.

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2019 are being presented at the Meeting. These documents are also available on the Company’s website at www.castlepeakmining.com as well as on SEDAR under the Company’s profile at www.sedar.com.

APPOINTMENT OF AUDITORS

In accordance with the recommendations of the Company's Audit Committee, the board of directors of the Company (the "**Board**") recommends that shareholders vote for the reappointment of Davidson & Company LLP, Chartered Accountants as the Company's auditors to hold office until the next annual general meeting of Shareholders, at remuneration to be determined by the Board. Davidson & Company LLP was first appointed as the Company's auditor on May 3, 2011.

ELECTION OF DIRECTORS

The number of directors for the Company is set by ordinary resolution of the shareholders of the Company. Management of the Company is seeking shareholder approval of an ordinary resolution to set the number of directors of the Company at **FIVE** for the ensuing year.

The persons below are management's nominees to the Board. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed if his office is earlier vacated in accordance with the Articles of the Company or if he becomes disqualified to act as a director.

Allan Green Paris, France Chief Executive Officer Chairman, Director	Mr. Green is President and owner of Consellior SAS, a French company active in strategic advisory services to public and private companies. He is an active investor in both public and private sectors and has developed strong relationships within European financial institutions.
Common Shares: 34,025,167 ⁽¹⁾ Stock Options: Nil Warrants: Nil	
(1) Mr. Green holds 554,000 common shares directly and 33,471,167 through his wholly owned company Candel and Partners SAS.	

Board and Committees	Date Joined
Board of Directors	April 2012
Compensation Committee, Chair	November 2012

Randal Gindi New York, USA Independent Director	Mr. Gindi is a founder of Castle Peak and has been involved in the mining industry since 2001. Mr. Gindi is also a principal in multiple real estate corporations focused on property development and management and has previously been involved as a principal in the management and merchandising of several retail department stores.
Common Shares: 5,548,618 Stock Options: 300,000 Warrants: Nil	

Board and Committees	Date Joined
Board of Directors	March 2011
Compensation Committee	August 2014

<p>Andreas Marangos</p> <p>New York, USA Independent Director Common Shares: Nil Stock Options: Nil Warrants: Nil</p>	<p>Mr. Marangos is an Advocate with nearly 20 years of experience. Currently he is the Managing Partner of the Law firm A. Marangos & A. Hadjipapa LLC concentrating on matters concerning corporate, commercial and company law, corporate finance, international trade and trust law, international mergers and acquisitions and foreign investments. He was Director of Consolidated Minerals Ltd for 11 years, a holding company of Manganese ore mines. Mr. Marangos was the Chairman of the board of directors of Electricity Authority of Cyprus following his term as the Vice Chairman of the Cyprus Telecommunications Authority.</p>
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Board and Committees	Date Joined
Board of Directors	November 2017

<p>Michael Novak</p> <p>Florida, USA Independent Director</p> <p>Common Shares: Nil Stock Options: Nil Warrants: Nil</p>	<p>Mr. Novak has been a Partner in the Tax and Business Services division of Markum LLP, an independent public accounting and advisory services firm since 2009. Mr. Novak holds a Bachelor of Science degree from the University of Miami and is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.</p>
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Board and Committees	Date Joined
Board of Directors	October 2017

<p>Iyad Jarbou</p> <p>British Columbia, Canada Chief Financial Officer and Corporate Secretary</p> <p>Common Shares: 225,704 Stock Options: 65,000 Warrants: Nil</p>	<p>Mr. Jarbou is currently the Chief Financial Officer of the Company, since November 2014. Prior to that, Mr. Jarbou was the accounting manager of the Company since May 2011. Prior to joining the Company Mr. Jarbou worked for Seaspan Corporation in Vancouver and Deloitte in Riyadh, Saudi Arabia. Mr. Jarbou holds a bachelors degree in Business and Economics from Damascus University and he is a Chartered Professional Accountant, CPA, CGA BC, Canada.</p>
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Board and Committees	Date Joined
Board of Directors	October 2017

Note: Information as to the place of residence, principal occupation and securities beneficially owned, directly or indirectly, or controlled or directed, has been furnished by the respective directors.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

During the ten years preceding the date of this Circular, no proposed director of the Company has, to the knowledge of the Company, been a director, chief executive officer or chief financial officer of any company that:

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

During the ten years preceding the date of this Circular, no proposed director of the Company has, to the knowledge of the Company, been a director, chief executive officer or chief financial officer of any company that:

- a) 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 the assets of that company; or
- b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to 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 to vote for a proposed director.

APPROVAL OF OPTION PLAN

The Company's option plan (the "**Option Plan**"), in the form attached hereto as Schedule "B", was adopted in 2012. The TSXV requires listed companies that have a "rolling" stock option plans in place to receive shareholder approval of such plan on a yearly basis at the Company's annual shareholders' meeting.

The purpose of the Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees, and other service providers, to reward those parties for advancing the interests of the Company and to enable and encourage such individuals to acquire shares in the Company as long term investments.

Resolution Approving the Option Plan

At the Meeting, the shareholders will be asked to consider, and, if thought fit, pass an ordinary resolution to approve and confirm the adoption of the Option Plan substantially in the following form:

"BE IT RESOLVED THAT:

1. the Company's Amended and Restated Stock Option Plan (the "**Option Plan**"), in the form presented to this Meeting, is approved and is hereby directed to be attached to the minutes of this Meeting as a Schedule thereto;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Option Plan entitling in aggregate the grant of options to purchase up to 10% of the issued and outstanding common shares from time to time;

3. the Board is authorized to make such amendments to the Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Option Plan, the shareholders; and
4. the approval of the Option Plan by the Board is hereby ratified and any one director of the Company is hereby authorized and directed to perform all such acts, deeds and things and execute all such documents and other writings as may be required to give effect to the true intent of this resolution.”

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

RISK FACTORS

Risks Factors Relating to the Company

For a discussion of certain risks relating to an investment in common shares, please refer to the risk factors discussed under “Risk and Uncertainties” in the Company’s management’s discussion and analysis filed on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This Circular may contain statements that, to the extent they are not statements of historical fact, constitute forward-looking information and forward-looking statements which reflect the current view of the Company with respect to its objectives, plans, goals, strategies, future growth, results of operations, financial and operating performance business prospects and opportunities.

Wherever used, the words “may”, “will”, “anticipate”, “intend”, “expect”, “estimate”, “plan”, “believe” and similar expressions identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in this Circular containing forward-looking statements or forward-looking information are qualified by these cautionary statements. These forward-looking statements and information include statements regarding the Consolidation, including the timing of Consolidation, the effects of the Consolidation and the risks of the Consolidation.

Forward-looking statements and forward-looking information are based on information available at the time they are made, underlying estimates and assumptions made by management and management’s good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements and forward-looking information contained in this Circular. Such risks and uncertainties include, but are not limited to the completion of the Consolidation, the Board deciding not to proceed with the Consolidation, the market price and liquidity of the common shares, the timing of the Consolidation, the state of the public markets, global economic conditions, dependence on key personnel, among other things.

The Company cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance and results

may vary significantly from those expected. There can be no assurance that the actual results, performance, events or activities anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Readers are urged to consider these factors carefully in evaluating forward-looking information and forward-looking statements and are cautioned not to place undue reliance on any forward-looking information or forward-looking statements.

The forward-looking statements and forward-looking information are made as of the date hereof, and the Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements and forward-looking information contained herein to reflect future results, events or developments. Shareholders should also carefully consider the matters discussed under “Risk Factors” in the Company’s management’s discussion and analysis filed on SEDAR at www.sedar.com.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company has a Compensation Committee, the current members of which are Allan Green, Brian Lock and Randal Gindi. Randal Gindi is an independent director of the Company as of the date hereof. The Compensation Committee has, as part of its mandate, the responsibility for reviewing recommendations from management for subsequent approval by the Board with respect to the appointment and remuneration of executive officers of the Company. The Compensation Committee also monitors the performance of the Company’s executive compensation plans.

A majority of the Compensation Committee members have direct experience that is relevant to their responsibilities in executive compensation, as they have each managed executives and/or business leaders in their current and/or past roles. In these roles, they have participated in compensation planning sessions, made compensation decisions and participated in compensation discussions with external consultants.

Elements of Executive Compensation

While the Board has not adopted a written program concerning the compensation of Named Executive Officers (“NEOs”), it has developed a consistent approach relating to executive compensation. The objective in the determination of executive compensation is the need to provide total compensation packages that will:

- ensure external competitiveness by developing and maintaining compensation levels that reflect current
- market rates of pay;
- promote pay-for-performance levels that rewards consistently high-performance levels;
- provide the Company with the resources to recruit and retain a highly capable work force; and
- establish incentives to develop and achieve performance targets that maximize the success and value of the Company to the benefit of the shareholders and other stakeholders.

The Company’s executive compensation program is based on a pay-for-performance philosophy. It is designed to retain, encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. The Board reviews base salaries based on a number of factors enabling the Company to compete for and retain executives critical to the Company’s long-term success. Incentive compensation in the form of cash bonuses is directly tied to corporate and individual performance. Share ownership opportunities through stock options are provided to align the interests of executive officers with the longer-term interests of shareholders. Independent consultants may be retained on an as needed basis by the Company to assess the executive compensation program.

Compensation for the NEOs, as well as for executive officers of the Company as a whole, consists of a base salary, along with annual incentive compensation in the form of a discretionary annual bonus, and a longer-term incentive in the form of stock options granted. The Board attempts to pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options). The relative portions of annual compensation and long-term incentives for the CEO and CFO are intended to provide a significant portion of the executive's compensation through long-term incentives.

In determining specific compensation amounts for the NEOs, the Board considers factors such as experience, individual performance, length of service, role in achieving corporate objectives, exploration and development results, stock price, and compensation compared to other employment opportunities for executives. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total interest between executive officers and shareholders. The Company does not have precise criteria or formulas to determine global remuneration of NEOs and uses its senior officers and Board's experience and knowledge of the market to do so. The Company's compensation program is designed to reward the success of the Company in achieving its technical and financial objectives. The Company operates in a volatile market and the following elements of the compensation package are required to provide the motivation to NEOs and other employees and achieve retention of the Company's skilled people in such market.

Base Salary

The Compensation Committee makes recommendations to the Board as to base salaries for officers and employees at all levels of the Company based on assigned responsibilities, the performance of each of the officers and employees as well as the overall financial performance of the Company and other reviews of market data available for other mineral exploration companies of similar size. The level of base salary for each employee within a specified range is determined by the level of past performance, as well as by the level of responsibility, the importance of the position to the Company and other market factors. The NEOs employment contracts will be reviewed periodically and adjusted as a result of the economic situation in which the Company finds itself, subject to acceptance of the NEOs.

Annual Bonus

The Board determines on a discretionary basis, incentive awards or bonuses to be paid by the Company to the executive officers of the Company, in respect of a fiscal year. The Compensation Committee determines, on a discretionary basis, bonuses to be paid by the Company to all other eligible employees and consultants of the Company in respect of a fiscal year. Corporate performance is assessed by reference to a number of factors including the Company's progress towards budgeted milestones, corporate efficiency and success in enhancing shareholder value relative to peer companies. Individual performance is measured by reviewing personal performance and other significant factors, such as level of responsibility and importance of the position to the Company. The individual performance factor allows the Company to recognize and reward those individuals whose efforts have particularly assisted the Company to attain its corporate performance objectives.

Option-Based Awards

The Company's Option Plan for officers, directors, employees and consultants of the Company, prepared in compliance with the policies of the TSXV, previously approved by the shareholders and administered by the Board. The Company is proposing to re-adopt the Option Plan, in substantially the form attached as Schedule "B" to this Circular. The purpose of the Option Plan is to improve the Company's long-term financial success by aligning the participants' personal interests with those of the Company's shareholders.

Subject to the provisions of the Option Plan, the Company may grant stock options that entitle the holders to purchase in total up to a maximum of 10% of the issued and outstanding share capital of the Company at the time the options are granted. As the Company grows, stock options provide participants with a reward for the long-term contribution of directors, officers, employees and consultants towards the growth and success of the Company. The Board considers such factors as individual performance, the significance of individual contribution to the success of the Company, experience and length of service in determining the amounts of options awarded. Previous grants of stock options are taken into account when stock options are granted. No options were granted to or exercised by NEOs or directors during the fiscal year ended December 31, 2019.

Stock Appreciation Rights

Stock appreciation rights ("SARs") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company's shares. No SARs were granted to or exercised by the NEOs or directors during the fiscal year ended December 31, 2019.

Purchase of Financial Instruments

There are no policies in place pursuant to which an NEO or director is permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swamps, collars, units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

Risk Considerations

The Compensation Committee intends to review, from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit in the Compensation Committee's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders, and risk implications is one of many considerations which are taken into account in such design. Due to the relatively small size of the Company and the current level of the Company's activity, the Board and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings, during which financial and other information pertaining to the Company will be reviewed, which review will include executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Summary Compensation Table

"Named Executive Officer" or "NEO" means

- (a) the Chief Executive Officer ("CEO") of the Company;
- (b) the Chief Financial Officer ("CFO") of the Company;

- (c) each of the Company's three most highly compensated executive officers, or the three most highly
- (d) compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and
- (e) any additional individuals who would be a Named Executive Officer under paragraph (c) above, but for the fact that the individual was neither an executive officer of the Company now acting in a similar capacity, at the end of the most recently completed fiscal year.

During the most recent fiscal year ended December 31, 2019, the Company had two NEOs: the CEO and the CFO. The following table sets forth the compensation awarded, paid or earned by the Company's NEOs during the fiscal year ended December 31, 2019.

Name and Principal Position	Year	Salary (CDN\$)	Sharebased awards (CDN\$)	Optionbased awards (CDN\$)	Non-equity incentive plan compensation (CDN\$)		Pension value (CDN\$)	All other compensation (\$) (CDN\$)	Total compensation (CDN\$)
					Annual incentive plans (CDN\$)	Longterm incentive plans			
Allan Green, CEO	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Iyad Jarbou, CFO	2019	\$73,278	Nil	Nil	Nil	Nil	Nil	Nil	\$73,278
	2018	\$72,969	Nil	Nil	Nil	Nil	Nil	Nil	\$72,969
	2017	\$66,678	Nil	Nil	Nil	Nil	Nil	Nil	\$66,678

Pension Plan Benefits

The Company does not have any pension plans.

Securities Authorized for Issuance under Equity Compensation Plans and Incentive Plan Awards

On April 30, 2012 the shareholders of the Company passed a resolution approving the Option Plan. The Option Plan fixes a maximum number of common shares that may be issuable upon exercise of options granted under the Option Plan equal to 10% of the Company's current and outstanding share capital. As of the date of this Circular, there were 1,115,000 options granted, leaving 12,161,336 options available for grant under the Option Plan.

Equity Compensation Plan Information

The following table is as of December 31, 2019:

Equity Compensation Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a) (c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A

Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A	N/A	N/A

The Board determines the number of stock options to be awarded based on recommendations from the Compensation Committee. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Stock options are granted to reward individuals for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

Share-based awards and option-based awards for NEOs outstanding at the end of the most recently completed financial year ended December 31, 2019 are set out in the following table:

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration Date	Value of unexercised in-the-money options (CDN\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of sharebased awards that have not vested (CDN\$)
Allan Green	Nil	Nil	Nil	Nil	N/A	N/A
Iyad Jarbou	65,000	0.52	March 7, 2021	Nil	N/A	N/A

The following table discloses incentive plan awards and value vested or earned for each NEO for the most recently completed financial year ended December 31, 2019:

Name	Name Option-based awards – Value vested during the year (CDN\$)	Share-based awards – Value vested during the year (CDN\$)	Non-equity incentive plan compensation – Value earned during the year (CDN\$)
Allan Green	Nil	N/A	N/A
Iyad Jarbou	Nil	N/A	N/A

Termination and Change of Control Benefits

Allan Green - Interim Chief Executive Officer

Mr. Green is not being paid for his role as interim Chief Executive Officer in addition to his role as a Director of the Company and does not have an employment agreement with the Company.

Iyad Jarbou – Interim Chief Financial Officer and Corporate Secretary

Mr. Jarbou's employment agreement with the Company includes the following termination and change of control compensation and benefit scenarios:

- If the Company terminates Mr. Jarbou's employment without just cause, the Company will provide to Mr. Jarbou two weeks written notice or, at Mr. Jarbou's sole discretion, two weeks base salary in lieu of such notice or a combination thereof; and the continuation of certain benefits during the notice period. If such event had occurred on December 31, 2019 the Company would have been required to compensate Mr. Jarbou in the amount of \$3,040, the cost of which is 4% of his current annual base salary.
- If the Company terminates Mr. Jarbou's employment with cause, the Company will not be required to give notice and will only be required to pay such amounts which were payable up to and including the date of termination.
- In accordance with his employment agreement, Mr. Jarbou is required to provide a minimum of 30 days prior notice of resignation. In such case, the Company may elect to terminate his employment at any time prior to the effective date of Mr. Jarbou's resignation, and upon such election, shall provide to Mr. Jarbou a lump sum equal to the base salary for the notice period. Upon the effective date of Mr. Jarbou's resignation, the Company shall not be obligated to make any further payments under the employment agreement, except for accrued pay and allowances earned up to and including the date of termination.

Director Compensation

No cash compensation was paid to any director of the Company for the director's services as a director during the year ended December 31, 2019. Directors are granted, from time to time, incentive stock options in accordance with the Option Plan and the policies of the TSXV. The Company has no standard arrangement regarding to the granting of such stock options to directors.

The following compensation was paid to our directors during the financial year ended December 31, 2019.

Name	Fees Earned (CDN\$)	Share-based awards (CDN\$)	Option-based awards (CDN\$)	Non-equity incentive plan compensation (CDN\$)	Pension value (CDN\$)	All other compensation (CDN\$)	Total (CDN\$)
Brian Lock	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Randal Gindi	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Allan Green	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Iyad Jarbou	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Michael Novak	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andreas Marangos	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Share-based awards and option-based awards outstanding at the end of the most recently completed financial year ended December 31, 2019 are disclosed in the following table:

Name	Number of Securities underlying unexercised options	Option Exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (CDN\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
Brian Lock	350,000	\$0.35	March 7, 2021	N/A	N/A	N/A
Randal Gindi	300,000	\$0.35	March 7, 2021	N/A	N/A	N/A
Allan Green	N/A	N/A	N/A	N/A	N/A	N/A
Iyad Jarbou	65,000	0.52	March 7, 2021	N/A	N/A	N/A
Michael Novak	N/A	N/A	N/A	N/A	N/A	N/A
Andreas Marangos	N/A	N/A	N/A	N/A	N/A	N/A

OTHER COMPENSATION MATTERS

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Company has been indebted to the Company or its subsidiaries during the financial year ended December 31, 2019.

REPORT ON CORPORATE GOVERNANCE

The following provides information with respect to the Company's compliance with the corporate governance requirements (the "**Corporate Governance Guidelines**") set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The information provided below is based on the corporate governance of the Company as of the date of this Circular.

Board of Directors

The Board facilitates its exercise of independent supervision over Company's management through frequent

meetings of the Board.

As of the date hereof, Randal Gindi, Andreas Marangos and Michael Novak are “independent” in that they are each independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act with the best interest of the Company, other than the interests and relationships arising from shareholdings. Allan Green, Brian Lock and Iyad Jarbou are not independent directors as of the date hereof, by reason of the fact that each is an officer or past officer of the Company.

Directorships

The following directors of the Company are also directors of the following other reporting issuers:

Name of Director of the Company	Names of Other Reporting Issuers
Brian Lock	San Marco Resources Inc. and Scorpio Gold Corporation
Randal Gindi	None
Allan Green	None
Iyad Jarbou	None
Michael Novak	None
Andreas Marangos	None

Orientation and Continuing Education

In order to orient new directors, the Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

Ethical Business Conduct

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

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that is reasonably prudent person would exercise in comparable circumstances, and disclosure to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the

contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the directors' and the chief executive officer's compensation once a year. To make its recommendation on directors' and the chief executive officer's compensation, the Board takes into account the types of compensation and the amounts paid to directors and the executive officers of comparable publicly traded Canadian companies.

Other Board Committees

The Board has no committees other than the Audit Committee and the Compensation Committee.

Assessments

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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out in this Circular, no informed person of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, other than as stated herein.

AUDITORS

Davidson & Company LLP, Chartered Accountants, Vancouver, British Columbia are the auditors of the Company.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee's charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its audit committee for the year ended December 31, 2019.

The Audit Committee Charter is attached as Schedule “C” to this Circular.

Composition of the Audit Committee

The current members of the Audit Committee are Michael Novak, Allan Green, and Brian Lock. Brian Lock and Michael Novak are considered independent and all members are financially literate.

Relevant Education and Experience

Allan Green – Mr. Green is President and owner of Consellior SAS, a French company active in strategic advisory services to public and private companies. He is an active investor in both public and private sectors and has developed strong relationships within European financial institutions.

Michael Novak – Mr. Novak is a Partner within Marcum LLP, Tax & Business Services Division. He has more than 30 years of experience serving clients across a broad range of disciplines. As a practice partner of the Firm, Mr. Novak provides and coordinates specific account management and services to his clients, including helping them with their daily business needs. He also offers assistance when clients face significant decisions, such as refinancing, expanding or purchasing, relying on his experience and guidance. Many of his long-term clients have trusted his expertise for more than 25 years. Mr. Novak participates in the firm's technology and tax procedures for the tax department.

Brian Lock – Mr. Lock received a Higher National Certificate in Electrical Engineering from Durham College in England in 1971. Mr. Lock has over 40 years' experience in the operations, feasibility, design engineering and construction of numerous precious metals and base metal mining projects around the world. Initially Mr. Lock held senior positions with a major international mining consortium and two major engineering companies, before, in 1985, forming and becoming President of Proton International Engineering Corporation, a Canadian engineering and construction company devoted to the development of small and medium sized mining projects. Mr. Lock has managed and/or served as a director of several Canadian public and private companies.

Audit Committee Oversight

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

Reliance on Certain Exemptions

In respect of the financial years ended December 31, 2019, the Company relied on the exemptions set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year	Audit Fees	Audit Related Fees	Tax Fees	All other Fees
December 31, 2019	\$15,183	Nil	Nil	Nil
December 31, 2018	\$22,268	Nil	Nil	Nil

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 is the Registrar and Transfer Agent for the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year. To request copies of the Company's financial statements and Management Discussion and Analysis, please contact Iyad Jarbou, the Chief Financial Officer of the Company, at 29 - 1255 Riverside Drive, Port Coquitlam, British Columbia, V3B 7W5 (Telephone: (604) 362-7685).

OTHER MATTERS

Management knows of no other matters to come before the Meeting, other than those referred to in the Notice of Meeting. However, if any other matters shall properly come before said Meeting, the Form of Proxy given pursuant to the solicitation by management will be voted on such matters in accordance with the best judgment of the appointed proxyholders.

SCHEDULE “A”
PART 8, DIVISION 2 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Pursuant to the *Business Corporations Act* (British Columbia), registered shareholders of the Company have the right to dissent in accordance with the *Business Corporations Act* (British Columbia). The full text of Division 2 (Dissent Proceedings) of Part 8 (Proceedings) of the *Business Corporations Act* (British Columbia) is set out below.

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - i. to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - ii. without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - i. the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - ii. each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - i. the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

- ii. each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- i. the date on which the shareholder learns that the resolution was passed, and
- ii. the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3)

(b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - i. the names of the registered owners of those other shares,
 - ii. the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - iii. a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - i. the name and address of the beneficial owner, and
 - ii. a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - i. the date on which the company forms the intention to proceed, and
 - ii. the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - i. the names of the registered owners of those other shares,
 - ii. the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - iii. that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**SCHEDULE “B”
OPTION PLAN**

CASTLE PEAK MINING LTD.

**STOCK OPTION PLAN
dated as of August 4, 2009, as amended and restated as of March 7, 2011
and as of March 29, 2012**

1. PURPOSE OF THE PLAN

The purpose of the Plan is to (a) attract and retain superior directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to the Company, to provide an incentive for such persons to put forth maximum effort for the continued success and growth of the Company, and in combination with these goals, to encourage their participation in the performance of the Company; and (b) closely align the personal interests of such directors, officers, advisors, employees and other persons or companies with those of the Shareholders by providing them with the opportunity, through the grant of Options, to acquire Shares.

2. DEFINITIONS

In this Plan, the following terms have the following meanings:

2.1 “Affiliate” has the meaning set out under the *Business Corporations Act* (British Columbia).

2.2 “Associate” has the meaning set out under the Securities Act.

2.3 “Black-Out Period” means that period during which a trading black-out period is imposed by the Company to restrict trades in the Company’s securities by an Eligible Person or Permitted Assign;

2.4 “Board” means the board of directors of the Company.

2.5 “Change of Control” means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty (50%) per cent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.

2.6 “Company” means Castle Peak Mining Ltd. and its successors.

2.7 “Compensation Committee” means the committee of the Board as constituted from time to time to oversee compensation matters;

2.8 “Consultant” means:

(a) an individual or company, other than an Employee or a director of the Company, that:

- i. is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a Distribution (as defined in the policies of the Exchange);

- ii. provides the services under a written contract between the Company or an Affiliate of the Company and the individual or company;
 - iii. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
 - iv. has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- Or,

(b) an individual who is an employee, shareholder or partner of a person or company that is a Consultant under subsection 2.8(a).

2.9 “Consultant Company” means for an individual Consultant, the company of which the individual Consultant is an employee or shareholder.

2.10 “Consultant Partnership” means for an individual Consultant, a partnership of which the individual Consultant is an employee or partner.

2.11 “Disability” means a physical injury or mental incapacity of a nature which the Board determines prevents or would prevent the Optionee from satisfactorily performing the substantial and material duties of his or her position with the Company.

2.12 “Disinterested Shareholder Approval” means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan.

2.13 “Eligible Person” means, from time to time, any bona fide director, senior officer or employee of the Company or any Related Entity of the Company, any Permitted Consultant and any Permitted Assign.

2.14 “Employee” means a bona fide employee as defined in the policies of the Exchange.

2.15 “Exchange” means the TSX Venture Exchange, the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.

2.16 “Expiry Date” means the date set by the Board under section 4.1 of the Plan, as the last date on which an Option may be exercised.

2.17 “Grant Date” means the date specified in an Option Agreement as the date on which an Option is granted.

2.18 “Insider” means an insider as defined in the Securities Act, and includes Associates and Affiliates of an Insider, but excludes a director or senior officer of a subsidiary or Related Entity of the Company unless such director or senior officer

- (a) in the ordinary course receives or has access to information as material facts or material changes concerning the Company before the material facts or material changes are generally disclosed;
- (b) is a director or senior officer of a major subsidiary (as defined in National Instrument 55-101); or
- (c) is an Insider of the Company in a capacity other than as a director or senior officer of the subsidiary or Related Entity.

2.19 “Joint Actor” means a person acting “jointly or in concert with” another person as that phrase is interpreted in Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids.

2.20 “Market Price” of a Share means, on any given day:

- (a) where the Share is not listed on an Exchange, the fair market value of a Share on that day determined by the Board in good faith; and
- (b) where the Share is listed on an Exchange, the last daily closing price per Share on the Exchange on the trading day immediately preceding the relevant date and if there was no sale on the Exchange on such date, then the last sale prior thereto.

2.21 “Option” means an option to purchase Shares.

2.22 “Option Agreement” means an agreement, in the form attached hereto as Schedule “A”, whereby the Company grants to an Optionee an Option.

2.23 “Optionee” means each of the directors, officers, Employees and Consultants of the Company or its Affiliates who have been granted an Option pursuant to this Plan, and includes their heirs, executors and administrators and, subject to the policies of the Exchange, an Optionee may also be a corporation wholly-owned by an individual eligible for an Option grant pursuant to this Plan.

2.24 “Option Price” means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of sections 5.9, 6.1, 6.2 or 6.3.

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

2.26 “Permitted Assign” means for a person that is an employee, executive officer, director or Consultant of the Company or Related Entity, a holding entity (as defined in National Instrument 45-106) of the person or an RRSP or RRIF of the person.

2.27 “Permitted Consultant” means a Consultant, a Consultant Company or Consultant’s Partnership;

2.28 “Plan” means this Castle Peak Mining Ltd. Stock Option Plan.

2.29 “Redundancy” means the termination of employment due to the fact that the person’s employer has ceased or intends to cease

- (a) to carry on business for the purposes of which the employee was employed by him, or
- (b) to carry on that business in the place where the employee was so employed, or
- (c) the requirements of that business
 - i. for employees to carry out work of a particular kind, or
 - ii. for employees to carry out work of a particular kind in the place where the employee was employed by the employer, have ceased or diminished or are expected to cease or diminish.

2.30 “Retirement” means the termination of employment due to retirement of an Optionee on or after such

Optionee's normal retirement date under the applicable retirement plan or policy of his or her employer or due to early retirement with the consent of the Board.

2.31 "Shares" means the common shares in the capital of the Company as constituted on the date of this Plan provided that, in the event of any adjustment pursuant to section 6, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

2.32 "Securities Act" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time.

2.33 "Unissued Option Shares" means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of sections 5.9, 6.1, 6.2 or 6.3, such adjustments to be cumulative.

2.34 "Vested" means that an Option has become exercisable in respect of a number of Shares by the Optionee pursuant to the terms of the Option Agreement.

As used in this Plan, words importing the masculine gender shall include the feminine and neuter genders and words importing the singular shall include the plural and vice versa, unless the context otherwise requires and references to person includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), unincorporated association, trust, trustee, executor, administrator or other legal representative.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board with the assistance of the Compensation Committee and the Chief Executive Officer as provided herein.

3.2 The members of the Compensation Committee shall be appointed from time to time by, and serve at the pleasure of, the Board. A majority of the Compensation Committee shall constitute a quorum thereof. Acts approved in writing by all members of the Compensation Committee shall constitute valid acts of the Compensation Committee as if taken at a meeting at which a quorum was present.

3.3 The Chief Executive Officer of the Company shall periodically make recommendations to the Compensation Committee as to the grant of Options.

3.4 The Compensation Committee shall, on at least an annual basis, make recommendations to the Board as to the grant of Options.

3.5 The Board may wait until such time as the financial statements of the preceding fiscal year are approved by the Board before making any determination regarding the grant of Options.

3.6 In addition to the powers granted to the Board under the Plan and subject to the terms of the Plan, the Board shall have full and complete authority to grant Options, to interpret the Plan, to prescribe such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and to take such actions in connection therewith as it deems necessary or advisable. Any such interpretation, rule, determination or other act of the Board shall be conclusively binding upon all persons.

3.7 The Board may authorize one or more officers of the Company to execute and deliver and to receive documents on behalf of the Company.

4. GRANT OF OPTIONS

4.1 Option Terms

The Board may from time to time authorize the issue of Options to directors, officers, Employees and Consultants of the Company and of its Affiliates. The Option Price in respect of each Option shall be not less than the Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

4.2 Maximum Number of Shares

Options may be granted in respect of authorized and unissued Shares provided that, the maximum aggregate number of Shares reserved for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the Outstanding Issue. If any Options granted under this Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Shares to which such Options relate shall be available for the purpose of granting further Options under the Plan and the Company shall reserve additional Shares for issuance pursuant to such Options. No fractional Shares may be purchased or issued under the Plan.

4.3 Limits on Shares Issuable on Exercise of Options

Notwithstanding any other provision of the Plan:

- (a) The aggregate number of Shares reserved for issuance or granted within any 12 month period to any one Optionee under the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, shall not exceed 5% of the Outstanding Issue, unless the Company has obtained Disinterested Shareholder Approval;
- (b) The aggregate number of Shares reserved for issuance under Options granted to Insiders under the Plan, together with all of the Company's previously established stock option plans or grants, shall not at any time exceed 10% of the Outstanding Issue, unless the Company has obtained Disinterested Shareholder Approval;
- (c) The number of Options granted issued to Insiders under the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, within any 12-month period shall not exceed 10% of the Outstanding Issue without Disinterested Shareholder Approval;
- (d) The aggregate number of Shares which may be granted within any 12-month period to any one Consultant is limited to 2% of the Outstanding Issue;
- (e) If the Company's Shares are listed on the TSX Venture Exchange, the aggregate number of Shares which may be granted within any 12 month period to a Participant employed to provide Investor Relations Activities is limited to 2% of the Outstanding Issue, and are subject to the following additional limitations:
 - i. Options issued to Consultants providing Investor Relations Activities shall vest in stages over 12 months with no more than 25% of the Options vesting in any three-month period; and
 - ii. The Board shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all optionees performing Investor Relations Activities.

4.4 Any entitlement to acquire Shares granted pursuant to the Plan or any other Options prior to the grantee

becoming an Insider shall be excluded for the purposes of the limits set out in paragraph 4.3(c) above.

4.5 Option Agreement

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee.

4.6 Taxes

The Board and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Issuance of Shares or delivery of share certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Board, until the Board is satisfied that the applicable requirements of income tax laws and other applicable laws have been met.

5. EXERCISE OF OPTION

5.1 When Options may be exercised

Subject to sections 5.3 and 5.5, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 5:00 p.m. (Vancouver time) on the Expiry Date and shall not be exercisable thereafter. If an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Plan, the Option shall expire 10 days after the Black-Out Period is lifted by the Company.

5.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised, together with payment in full of the Option Price for each such Share. Upon notice and payment being provided to the Company, there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case, the Option shall not have been validly exercised.

5.3 Vesting of Option Shares

The Board, subject to the policies of the Exchange, may determine and impose terms upon which each Option shall become vested, provided that, if the Company's Shares are listed on the TSX Venture Exchange, Options granted to Consultants performing investor relations activities, must vest in stages over 12 months with no more than 25% of the Options vesting in any three-month period.

5.4 Change of Control

In the event of a Change of Control, all Options that are not Vested shall vest immediately and automatically without further action by the Board, subject to any restrictions imposed by the Exchange pursuant to its policies stated herein or otherwise at the time of vesting.

5.5 Termination of Employment

If an Optionee ceases to be a director, officer, Employee or Consultant of the Company or of an Affiliate of the

Company, his or her Option shall be exercisable as follows:

- (a) Death - If the Optionee ceases to be a director, officer, Employee or Consultant of the Company or of an Affiliate of the Company, due to his death or, in the case of an Optionee that is a company, the death of the person who provides management or consulting services to the Company or to any entity controlled by the Company, Options then held by the heir, executor, or administrator of the estate of, a deceased Optionee shall be exercisable to acquire Unissued Option Shares, Vested as at the date of death at any time up to but not after the earlier of:
 - i. 120 days after the date of death; and
 - ii. the Expiry Date.
- (b) Termination for Cause - If the Optionee, or in the case of an Option granted to an Optionee who falls under the definition of Consultant set out in subsection 2.8(b), the Optionee's employer, partner or company in which he or she is a shareholder, ceases to be a director, officer, Employee or Consultant of the Company or of an Affiliate of the Company as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of the Optionee who satisfies the definition, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Shares that are Vested or not, shall be cancelled as of that date and become null and void immediately upon such termination.
- (c) Early Retirement, Voluntary Resignation, Redundancy, Disability or Termination Other than for Cause - If the Optionee or, in the case of an Option granted to an Optionee who falls under the definition of Consultant set out in subsection 2.8(b), the Optionee's employer, partner or company in which he or she is a shareholder, ceases to be a director, officer, Employee or Consultant of the Company or of an Affiliate of the Company due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, or due to Redundancy or Disability, unless otherwise set to a later date, such date not to be later than the Expiry Date, by the Board on the Grant Date or at a subsequent date, the Options Vested as at the date of termination then held by the Optionee shall be exercisable to acquire Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days, or such other period as set out in the Option Agreement, after the Optionee or, in the case of an Option granted to an Optionee who falls under the definition of Consultant set out in subsection 2.8(b), the Optionee's employer, partner or company in which he or she is a shareholder ceases to be a director, officer, Employee or Consultant of the Company or of an Affiliate of the Company. For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 5.5(c) occurred, shall not be or become exercisable in respect of such Unissued Option Shares and shall be cancelled.

5.6 Investor Relations Providers

If the Company's Shares are listed on the TSX Venture Exchange, if an Optionee ceases to be employed to provide investor relations activities to the Company, the Option then held by him or her shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 30 days after the Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Consultant set out in subsection 2.8(b), the Optionee's employer, partner or company in which he or she is a shareholder, ceases to be employed to perform investor relations activities to the Company, unless otherwise set to a later date, such date not be later than the Expiry Date, by the Board on the Grant Date or at a subsequent date.

5.7 Extending the Option Expiry Period

The Board may also in its sole discretion (without the requirement of Shareholder approval) increase the periods permitted to exercise all or any of the Options covered by any grant following a termination of employment, engagement or directorship as provided above, if allowable under applicable law; provided, however, that (a) in no event shall any Option be exercisable following the Expiry Date and (b) any extension of the Option Expiry Period made while the Company's Shares are listed on the TSX Venture Exchange will be subject to the policies of the TSX Venture Exchange.

5.8 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of an option granted to an Optionee who falls under the definition of Consultant set out in subsection 2.8(b), the Optionee's employer, partner or company in which he or she is a shareholder, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Shares which were not Vested at that time or which, if Vested were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of or form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

5.9 Shares Not Acquired

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events referred to herein as a "Share Reorganization") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - i. the Option Price in effect immediately before that effective date or record date, and
 - ii. a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying:
 - i. the number of Unissued Option Shares immediately before such effective date or record date by;
and
 - ii. a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6. DISTRIBUTION

6.1 Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;

- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective immediately after the record date on which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Unissued Option Shares as a result of such Special Distribution,

6.2 Corporate Reorganization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in section 6.1;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company’s undertaking and assets become the property or another corporation; (any such event being herein called a “Corporate Reorganization”) the Optionee will have an option to purchase (at the times, for the consideration and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

6.3 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company’s auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

6.4 Regulatory Approval

Any adjustment to the Option Price of the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of sections 5.9, 6.1, 6.2 or 6.3 is subject to the approval of the Exchange and any other governmental authority having jurisdiction.

6.5 Disinterested Shareholder Approval

Disinterested Shareholder Approval will be obtained for any reduction in the Option Price if the Optionee is an Insider of the Company at the time of the proposed amendment.

7. MISCELLANEOUS

7.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment. If the Shares are listed on the Exchange, as a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the date of grant that the Optionee is a bona fide director, officer, Employee or Consultant of the Company or its Affiliates.

7.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. The obligations of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

7.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in sections 6.3 and 6.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

7.4 Amendments to the Plan

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

The Board may, subject where required to approval of the Exchange and any governmental authority having jurisdiction, amend the Plan at any time. Notwithstanding the foregoing the Board is specifically authorized to amend or revise the terms of the Plan or any Option without obtaining shareholder approval in the following circumstances, provided that, in the case of any Option, no such amendment or revision may, without the consent of the Optionee, materially decrease the rights or benefits accruing to such Optionee or materially increase the obligations of such Optionee:

- (a) amendments of a “housekeeping” nature including, but not limited to, of a clerical, grammatical or typographical nature;

- (b) to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (c) a change to the vesting provisions of any Option or the Plan;
- (d) amendments to reflect any changes in requirements of any securities regulatory authority or Exchange to which the Company is subject;
- (e) a change to the termination provisions of an Option which does not result in an extension beyond the Option Period as contemplated in section 5.7 of the Plan;
- (f) in the case of any Option, the substitution of another award of the same or different type;
- (g) in the case of any Option, such amendments or revisions contemplated in subsections 5.9, 6.1, 6.2 or 6.3 of the Plan;
- (h) amendments to the definition of change of control for the purposes hereof; and
- (i) a change to the class of Eligible Persons that may participate under the Plan.

For greater certainty, the Option Price of any outstanding Option granted to any non-Insiders of the Company may not be reduced unless shareholder approval is obtained by way of a resolution passed by a majority of the votes cast by the shareholders at a meeting of shareholders. The Option Price of any outstanding Option granted may not be reduced and the original Option Period may not be extended to the benefit of Insiders of the Company unless Disinterested Shareholder Approval is obtained in accordance with the requirements of the Exchange.

7.5 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the Chief Executive Officer or Corporate Secretary of the Company.

7.6 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

7.7 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

7.8 No Assignment or Transfer

Except as specifically contemplated herein, no Optionee may assign or transfer any of his or her rights under the Plan or an Option granted under this Plan.

7.9 Rights of Optionee

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting gifts or any right to receive dividends, warrants or rights under any rights offering).

7.10 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

7.11 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

7.12 Time of Essence

Time is of the essence of this Plan and each Option Agreement. No extension of time will be determined to be or to operate as a waiver of the essentiality of time.

7.13 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionee relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

7.14 Resale Restrictions

Any Shares issued pursuant to this Plan will be subject to any resale restrictions required by the Exchange or those of any securities regulatory authority having jurisdiction.

7.15 Effective Date, Amendment and Termination

The Plan is effective as of August 4, 2009. The Plan has been amended and restated as of March 7, 2011 and as of March 29, 2012.

Approved by the Board on March 29, 2012.

SCHEDULE "A"
CASTLE PEAK MINING LTD.
STOCK OPTION PLAN OPTION AGREEMENT

This Option Agreement is entered into between Castle Peak Mining Ltd. (the "Company") and the Optionee named below pursuant to the Castle Peak Mining Ltd. Stock Option Plan (the "Plan"), a copy of which is attached hereto and confirms that:

<*> (the "Grant Date");

1. <*> (the "Optionee");

2. was granted the option (the "Option") to purchase <*> Common shares (the "Option Shares") of the Company;

3. for the price (the "Option Price") of \$<*> per share;

4. which shall be exercisable ("Vested") in whole or in part in the following amounts on or after the following dates: <*>;

5. in the event of termination under Section 5.5(c) of the Plan, Vested Unissued Option Shares shall be exercisable for a period of <*> days after the date of termination;

6. terminating on the <*> (the "Expiry Date"),

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have become Vested, such Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan. In any case of any inconsistency between this Option Agreement and the Plan, the Plan shall govern.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form attached, together with this Agreement and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Option Price of the Shares in respect of which the Option is being exercised plus an amount equivalent to the applicable withholding taxes.

Unless otherwise indicated, all defined terms shall have the respective meanings attributed thereto in the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee (i) has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement; and (ii) expressly consents to the use and disclosure of Personal Information about the Optionee to the Exchange or applicable securities regulatory authorities, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the day of <*>, 20<*>.

CASTLE PEAK MINING LTD.

Per: _____
Authorized Signatory

CASTLE PEAK MINING LTD.
STOCK OPTION PLAN EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
Castle Peak Mining Ltd. (the "Company")
29 - 1255 Riverside Drive
Port Coquitlam, British Columbia, V3B 7W5

The undersigned hereby irrevocably gives notice, pursuant to the Company's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for:

_____ (quantity) Common Shares at the Exercise Price of \$ _____ each.

The undersigned tenders herewith a cheque payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares exercised plus applicable withholding taxes thereon and directs the Company to issue the certificate evidencing said Common Shares in the name of the undersigned to be issued as follows:

Delivery Instructions
(by mail):

Registration Instructions
 Same as Delivery (check \checkmark) or:

Name

Name

Account reference, if applicable

Account reference, if applicable

Address

Address

Telephone Number

Telephone Number

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the _____ day of _____, _____.

Print Name of Option Holder

Signature of Option Holder

**SCHEDULE “C”
AUDIT COMMITTEE CHARTER**

CASTLE PEAK MINING LTD.

AUDIT COMMITTEE CHARTER

The overall purpose of the Audit Committee (the “Committee”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

A. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the “Board”), a majority of whom the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules, and all of whom are “financially literate”.
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to all books and records of the Company and access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, any

contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

B. ROLES AND RESPONSIBILITIES

1. the overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors from the Company on an annual basis;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) to review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - i. contents of their report;
 - ii. scope and quality of the audit work performed;
 - iii. adequacy of the Company's financial and auditing personnel;
 - iv. co-operation received from the Company's personnel during the audit;
 - v. internal resources used;
 - vi. significant transactions outside of the normal business of the Company;
 - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review and unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - i. the annual report to shareholders;
 - ii. the annual information form;
 - iii. annual and interim MD&A;
 - iv. prospectuses;
 - v. news releases discussing financial results of the Company; and
 - vi. other public reports of a financial nature requiring approval by the Board,

And report to the Board with respect thereto;

- (c) Review regulatory filings and decisions as they relate to the Company's consolidated financial statements;

- (d) Review the appropriateness of the policies and procedures and used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) Review and report on the integrity of the Company's consolidated financial statements;
- (f) Review the minutes of any audit committee meeting of subsidiary companies;
- (g) Review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) Review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) Develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

Adopted: May 2011