NORTHERN SUPERIOR RESOURCES INC.

1351C Kelly Lake Road, Unit 7
Sudbury, Ontario, Canada, P3E 5P5

INFORMATION CIRCULAR
FOR THE 2016 ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on July 27th, 2016

This Information Circular contains information as at June 20th, 2016 unless otherwise stated.

GENERAL INFORMATION

This Information Circular is furnished in connection with the solicitation of proxies by management of **NORTHERN SUPERIOR RESOURCES INC.** ("**Northern Superior**" or the "**Company**") for the use at the annual general meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**Shares**") of the Company to be held on Wednesday, July 27th, 2015, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

BUSINESS OF THE MEETING

Voting and Quorum

All matters presented to the Meeting require approval by a simple majority of the votes cast at the Meeting, unless stated otherwise.

No business shall be transacted at the Meeting unless the requisite quorum is present at the commencement of such Meeting, provided that, if a quorum is present at the commencement of the Meeting, a quorum will be deemed to be present during the remainder of the Meeting.

Matters to be Considered

FINANCIAL STATEMENTS - The audited financial statements of Northern Superior for the year ended December 31, 2015 have been posted on SEDAR (www.sedar.com) and mailed to shareholders who have indicated their desire to receive the Financial Statements by mail. The audited financial statements will be presented to the Shareholders at the Meeting.

ELECTION OF DIRECTORS - Management proposes to nominate for election to the Company's Board of Directors the persons named in the section "Election of Directors". Please refer to that section for a biography of each nominee. All of the nominees are currently directors of the Company except Arthur Murdy and each nominee's attendance at Board and committee meetings held in 2015 is set forth in Item 1(g) of the section "Corporate Governance Disclosure". Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

Unless authority is withheld, the persons named in the accompanying form of proxy (the "**Proxy**") intend to vote for these nominees. All of the nominees have established their eligibility and willingness to serve as directors. The Proxy permits Shareholders to vote in favour of all nominees, vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees.

APPOINTMENT OF AUDITORS - Unless otherwise specified, the persons named in the enclosed instrument of proxy will vote for the reappointment of James Stafford, Chartered Accountants, of Vancouver, B.C. as auditor of the Company for the ensuing year, at a remuneration to be fixed by the directors.

ANNUAL RE-APPROVAL OF STOCK OPTION PLAN - At the Meeting, Shareholders will be asked, in accordance with the requirements of the TSX Venture Exchange (the "**Exchange**") policies, to consider and if deemed appropriate, re-approve with our without variation, the adoption of the Company's rolling stock option plan, as amended (see section "Re-Approval of Stock Option Plan").

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON - Management is not aware of any matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the instructions of the proxyholder.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and employees of the Company. All costs of solicitation will be borne by the Company. These officers and employees will receive no compensation other than their regular salaries but will be reimbursed for their reasonable expenses which it is expected will not exceed $1,000 in the aggregate.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Company. A Shareholder eligible to vote at the Meeting has the right to appoint a person, who need not be a Shareholder, to attend and act for the Shareholder and vote on the Shareholder's behalf at the Meeting other than the persons designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the form of proxy or by completing another suitable form of proxy.

Shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 4:15PM Toronto Time (1:15PM Vancouver time), on Monday, July 25th, 2016) (the "**Proxy Deadline**") or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at 416-263-9524 or toll free 1-866-249-7775. To vote by telephone, call the toll-free number shown on the proxy form provided. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to your holder account number and proxy access number provided on the proxy that was delivered to you. Note that voting by telephone is not available if you wish to appoint a person as a proxy other than someone named on the proxy form. In either of these instances, your proxy should be voted by mail, delivery or Internet. To vote your proxy by Internet, visit the Web site address as shown on the proxy form provided. Follow the online voting instructions given to you over the Internet and refer to your holder account number and proxy access number provided on the proxy that was delivered to you.

A Shareholder who has given a proxy may revoke it by an instrument in writing duly executed and delivered either to the registered office of the Company at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Shareholders whose shares are held through an Intermediary (as defined below) ("**Non-Registered Shareholders**") who wish to revoke their proxy must arrange for their respective Intermediary to revoke the proxy on their behalf within the time specified by such Intermediary.

The Notice of Meeting has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of Non-Registered Shareholders).

Please review the Information Circular carefully and in full prior to voting in relation to the matters to be conducted at the Meeting. The Information Circular is available on SEDAR at www.sedar.com.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most 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 a Non-Registered Shareholder in respect of Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "**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 directors or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 ("**NI 54-101**"), the Company has elected to distribute copies of proxy-related materials required to be delivered (collectively, the "**Meeting Materials**") to the Non-Registered Shareholders by sending the Meeting Materials to the clearing agencies and Intermediaries.

The Meeting Materials will be delivered to all Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them under NI 54-101. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders, such as Broadridge Financial Solutions Inc. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Investor Services Inc. as provided above; or

(b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the management proxy nominees named in the form and insert the Non-Registered Shareholder's name or nominee's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Additionally, NI 54-101 allows a Non-Registered Shareholder who is a non-objecting beneficial shareholder ("**NOBO**") to submit to the Company or an applicable Intermediary any document in writing that requests that such NOBO or a nominee of such NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Company or an Intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Information Circular, provided that the Company or the Intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Toronto time) on the day which is at least three business days prior to the Meeting.

EXERCISE OF DISCRETION

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the election of directors and the appointment of the auditors; and

(b) any other matter, including amendments to any of the foregoing, as may properly come before the Meeting or any adjournment thereof.

In respect of a matter for which a choice is not specified in the proxy, or unless otherwise provided in the proxy, the nominees named in the accompanying form of proxy will vote the Shares represented by the proxy for the approval of such matter.

As of the date of this Information Circular, the management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee intends to vote thereon in accordance with the nominee's best judgment.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the approval of all unallocated options under the Company's stock option plan (see "Approval of Unallocated options under Stock Option Plan").

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of Shares entitled to be voted at the Meeting, namely, common shares without par value. All issued shares are entitled to be voted at meetings of shareholders and each has one non-cumulative vote. As of June 20th, 2016 there were 189,577,969 Shares issued and outstanding. Only those shareholders of record on June 20th, 2016 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, only the following persons or companies beneficially own, directly or indirectly, or exercise control or direction over Shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company which have the right to vote in all circumstances:

Name	Number of Shares	Percentage of Outstanding Shares
Lake Shore Gold Corp.*	44,930,769	23.7%

* On April 1, 2016, Lake Shore Gold Corp. was acquired by Tahoe Resources Inc. (NYSE:TAHO, TSX:THO)

ELECTION OF DIRECTORS

At the meeting, shareholders will be asked to fix the size of the board of directors at seven (7) persons and to elect certain persons nominated by management to the Board of Directors. The following chart provides information concerning the nominees proposed for election to the Board of Directors, all of whom are ordinarily residents in Canada. Included in this information is directors' committee memberships and equity ownership. All successful nominees are elected for a term of one year, expiring at the next annual general meeting.

Name and Company Details	
Alan C. Moon(2)(3) Calgary, AB Director Since: 2003 Shares(1): 442,200 Options: 475,000	Alan C. Moon (Chair of the Board of Directors) has been an independent businessman, corporate director and consultant since 1997. Mr. Moon previously held a number of executive positions with TransAlta Corporation which he joined in 1985. From 1994 to 1997 he was President and COO of TransAlta Energy Corporation. Mr. Moon is a also a director of Tahoe Resources Inc. Mr. Moon has obtained the Institute of Corporate Directors (ICD.D) designation.
Thomas F. Morris Sudbury, ON Director Since: 2007 Shares(1): 1,297,333 Options: 3,500,000	Dr. Morris (President and CEO) is a registered, Professional Geoscientist with 30 years of experience, successfully managing a variety of exploration programs for provincial and federal governments, private sector and publicly traded companies. Under his management, Northern Superior was recognized as one of the top 50 companies listed on the TSX-V (2011), was awarded the Ontario Business Achievement Award for Corporate Governance (2011), was awarded the Quebec Prospector of the Year Award by the Association de L'Exploration Minière du Québec (2012) and attained Progressive Aboriginal Relations "Par Committed" status from the Canadian Counsel for Aboriginal Business (2013, 2014). Dr. Morris has also obtained the Institute of Corporate Directors (ICD.D) designation.

Name and Company Details	
Arnold Klassen(2)(4) Coquitlam, BC Director Since: 2008 Shares(1): 125,500 Options: 475,000	Mr. Klassen is a Chartered Accountant and Certified Public Accountant and has more than 35 years experience in accounting, audit and tax with 30 years of experience in the Mining Industry. Mr. Klassen is currently President of AKMJK Consulting Ltd., a private consulting company, and prior to that was the Vice President of Finance for Dynatec Corporation from 1988 to 2007. Dynatec Corporation was a publicly traded TSX listed company from 1997 to 2007. He held a similar position with the Tonto Group of Companies from 1984 to 1988. Mr. Klassen holds a degree in Commerce from the University of British Columbia and spent seven years with KPMG prior to becoming Vice President of Finance with the Tonto Group of Companies. Mr. Klassen has obtained the Institute of Corporate Directors designation.
K. Wayne Livingstone(4)(5) White Rock, BC Director Since: 1998 Shares(1): 80,000 Options: 475,000	K. Wayne Livingstone has been a director of Northern Superior since 1998. He is currently President of New Oroperu Resources Inc., a public mineral exploration company operating in Peru, and a partner in a Yukon placer mining operation. He is also President of Carlin Gold Corporation, a public mineral exploration mining company focused in Nevada and a director of Constantine Metal Resources Inc., which is exploring a massive sulphide prospect in Alaska and gold projects near Matheson, Ontario. Mr. Livingstone has over 35 years of experience in exploration geology. He was principally involved in the exploration and development of the Crowfoot Mine in Nevada, an open pit, heap leach gold mine that was acquired and developed by Hycroft Resources and Development Inc. and produced in excess of one million ounces. Mr. Livingstone holds a BSc. Geology from Carleton University, and a MSc. Geology from the University of British Columbia.
Fred Lecoq(2)(3)(4)(5) Montreal, QC Director Since: 2012 Shares(1): 663,000 Options: 375,000	Fred Lecoq was added to Northern Superior's board on November 8, 2012. Mr Lecoq is currently an independent investor and former investment management professional with over 30 years of experience, having worked with Caisse de Depot et Placement du Québec, Gryphon Investment Counsel and PSP Investments. Mr. Lecoq holds a CFA designation from the Institute of Chartered Financial Analysts and has completed the Investment Dealers Association Registered Representative Program.
John Pollesel(3)(5) Sudbury, ON Director Since: 2013 Shares(1): 300,000 Options: 275,000	John Pollesel was added to Northern Superior's board on July 2, 2013. Mr. Pollesel is currently Senior Vice President, Mining for Finning (Canada). Prior to October 2014 John was CEO of the Morris Group of Companies, a position he has held since November of 2012. From August of 2008 to October of 2012, Mr. Pollesel was with Vale Base Metals serving most recently as COO and Director for the North Atlantic operations and President for Vale Canada Limited. From June 2004 until July of 2008, Mr. Pollesel was CFO at Compana Minera Antamini in Peru. Mr. Pollesel holds an MBA and is a Chartered Professional Accountant (FCPA) and a Certified Management Accountant (FCMA).
Arthur Murdy Kearney, ON Proposed Director Shares(1): 988,000 Options: Nil	Management has nominated Arthur Murdy to be added to Northern Superior's Board of Directors. Mr. Murdy is currently semi-retired but remains active in various projects including real estate development and sustainable harvesting for private woodlot owners. From 2011-2013, Mr. Murdy served as Business Development Manager for Major Drilling following its acquisition of the Bradley Group in 2011. From 1995-2011, Mr. Murdy held several positions with the Bradley Group including most recently, VP Business Development. He is a life member and former president of the Canadian Diamond Drilling Association and holds a B.A. in Geology from the University of Western Ontario.

(1) **The approximate number of voting shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed director as at June 20th, 2016**
(2) **Member of the Audit Committee.**
(3) **Member of the Compensation Committee.**
(4) **Member of the Corporate Governance and Nominating Committee.**
(5) **Member of the Environment, Health, Safety and Corporate Social Responsibility Committee.**

STATEMENT OF EXECUTIVE COMPENSATION

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as an officer of or consultant to the Company.

Unless otherwise stated, "**dollars**" or "**$**" means Canadian dollars.

"**Named Executive Officers**", "**NEO**s" or individually, a "**NEO**", means:

(a) a Chief Executive Officer ("**CEO**");

(b) a Chief Financial Officer ("**CFO**");

(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

Named Executive Officers

The NEOs who are the subject of this Compensation Discussion and Analysis are Thomas F. Morris - President & CEO and Aris Morfopoulos* – CFO.

* Mr. Morfopoulos ceased acting as CFO on December 31, 2015

This section of the Information Circular explains how the Company's executive compensation program is designed and operated with respect to all of the Company's executive officers (including NEOs). This section also identifies the objectives and material elements of compensation awarded to the executives (including NEOs) and the reasons for the compensation. For a complete understanding of the executive compensation program, this Compensation Discussion and Analysis should be read in conjunction with the Summary Compensation Table and other executive compensation-related disclosure included in this Information Circular.

The philosophy of the Compensation Committee of the Company's Board of Directors (the "**Compensation Committee**") is to determine compensation for the Company's executive officers relative to the performance of the Company in executing on its objectives. Executive officers receive both fixed compensation and performance-based variable incentive compensation, which together represents the executive's total direct compensation ("**Total Direct Compensation**"). To attract and retain top talent, fixed compensation is generally targeted at levels comparable to market peers and performance recognition occurs through the delivery of variable short and longer-term incentive compensation.

The Compensation Committee's assessment of corporate performance is based on a number of qualitative and quantitative factors including execution of on-going projects and transactions, safety, operational performance and progress on key initiatives. For 2015, the Compensation Committee determined the overall corporate performance rating to be above target**.** Executive officers (including NEOs) do not automatically receive any particular award based on the Compensation Committee's determination of the overall performance of the Company, but rather the determination establishes the background for the Compensation Committee's subsequent review of the executive's individual performance. The Compensation Committee's decisions with respect to Total Direct Compensation for NEOs for 2015 are noted below in the section "Compensation Decisions for 2015".

Objectives of the Compensation Program

The objectives of Northern Superior's executive compensation program are:

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

Market Benchmarking

It is a key element of the Company's compensation philosophy that compensation be competitive with the market. The Compensation Committee has conducted its own informal review of publicly available information for comparable sized publicly traded companies engaged in mineral exploration in areas similar to where the Company conducts its exploration activities (Northern Ontario and Québec). The Compensation Committee considers such companies to be the Company's primary competitors for talented mining professionals (the "**Comparator Group**"").

The members of the Comparator Group are as follows:

Noront Resources Ltd.	Midland Exploration Inc.
Eastmain Resources Inc.	Matamec Explorations Inc.
Pele Mountain Resources Inc.	Vantex Resources Ltd.
QMX Gold Corporation	

The Compensation Committee uses the compensation data from the Comparator Group (the "**Comparator Market Data**") as general guidance, rather than applying any sort of formula, in determining Total Direct Compensation. The final value an executive officer is awarded (NEO or otherwise) will vary based on an assessment of his or her function within the Company and individual performance (as described below).

Elements of Executive Compensation

Total Direct Compensation represents the combined value of fixed compensation and performance-based variable incentive compensation, comprising: base salary, short-term incentive in the form of an annual cash bonus, and long-term incentives in the form of stock options.

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

- *Base Salary* - Base salary is the fixed portion of Total Direct Compensation and is designed to provide income certainty and to attract and retain executives. Base salaries for NEOs are reviewed annually by the Compensation Committee and are based on individual performance, the scope of the executive's role within Northern Superior, retention considerations and material differences in an executive officer's responsibilities compared with similar roles in the Comparator Group.

- *Short-term Incentives* - Annual cash bonuses are a short-term incentive that is intended to reward executive officers for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance.

  In 2015, an incentive plan was established intending to focus the executive officers on completing one or more joint ventures in connection with the Company's properties in Ontario and Québec with a view to having third parties expend monies on exploration and/or pay cash amounts the Company to earn an interest in the Company's properties and ultimately to obtain significant precious metals drill intersections of economic significance (demonstrating continuity).

  The discovery of one or more significant mineral deposits by the Company or through a joint venture and other operational metrics are measured separately by the Compensation Committee who has discretion to recommend bonus amounts for Board approval.

  In connection with the joint venture expenditure objective, in general, threshold amounts and the bonus amounts earnable are not strictly pre-established and remain at the discretion of the Board. In 2015 however, in the case of the Company's CEO, certain bright line thresholds and bonus amounts were established in an incentive plan which were based on cumulative third party expenditures and/or cash payments received as follows:

  - a $42,500 bonus for completing one or more joint ventures requiring third party cash and/or expenditures totaling $5 million or more in the aggregate;
  - an additional $42,500 bonus if the completed joint ventures required third party cash and/or expenditures totaling $10 million or more in the aggregate;
  - an additional $42,500 bonus if the completed joint ventures required third party cash and/or expenditures exceeding $15 million or more in the aggregate;
  - if completed joint ventures did not include aggregate third party cash and/or expenditures which met the $5 million minimum threshold, the Compensation Committee maintained discretion to recommend that the Board award a bonus in any event; and
  - if completed joint ventures included aggregate third party cash and/or expenditures which not only met but exceeded the $15 million threshold, the Compensation Committee maintained the discretion to recommend that the Board award an additional bonus over and above the fixed bonus amounts noted in the incentive plan.

- *Long-term Incentives* - Long-term incentive compensation is provided primarily through the granting of stock options although the Board does maintain discretion to award cash bonuses. This incentive arrangement is designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders and to attract and retain executives. Participants benefit only if the market value of Northern Superior's common shares at the time of stock option exercise is greater than the exercise price of the stock options at the time of grant. Unless otherwise specified by the Board at the time of grant, stock options vest 33⅓% on each anniversary of the grant date for a period of three years and expire five years from the grant date.

Stock Option Plan Information

Stock Option Granting Process

Generally, stock option grants are determined annually. The CEO makes recommendations to the Compensation Committee regarding individual stock option awards for all recipients. The CEO does not engage in discussions with the Compensation Committee regarding his own stock option grants. The Compensation Committee deliberates and considers relevant market data and other information in order to determine the CEO's stock option grant recommendation to the Board.

The Compensation Committee reviews the appropriateness of the stock option grant recommendations from the CEO for all eligible employees and contractors where appropriate and accepts or adjusts these recommendations. The Compensation Committee is responsible for approving all individual stock option grants other than grants to officers, including grants that are awarded outside the annual compensation deliberation process for such things as promotions or new hires. The Compensation Committee is also responsible for recommending to the Board for its approval any stock option grants for officers and for the Board of Directors.

The Compensation Committee approves or recommends compensation awards, including stock option grants, which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual.

Stock Option Plan Amendments

The Board has the authority to discontinue the Company's stock option plan at any time without shareholder approval. The Board may also make certain amendments to the plan without shareholder approval, including changes regarding the vesting and expiry of an outstanding stock option provided that the change does not entail an extension beyond the original expiry date. No amendments can be made to the stock option plan that adversely affect the rights of any option holder regarding any previously granted options without the consent of the option holder.

Management does not have a right to amend, suspend or discontinue the Company's stock option plan. The stock option plan also provides that certain amendments be approved by the shareholders of Northern Superior as provided by the rules of the Exchange.

Other Compensation

Executive officers occasionally receive other benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of executive officers. Benefits include limited executive perquisites. The Company does not provide any pension or retirement benefits for NEOs.

How the Company Determines Compensation

Below is a general description of the policies and practices Compensation Committee follows in order to make recommendations and decisions regarding executive compensation (including to the NEOs). The Compensation Committee is not contemplating any significant changes to these policies and practices in the next financial year.

The Role of the Compensation Committee

The Compensation Committee approves, or recommends for Board approval, all compensation to be awarded to the NEOs. The Compensation Committee gathers information and assesses the relevance for the Corporation and combines that with their specific knowledge of the industry to assist with their decision making. The CEO also provides information to assist with the assessment and makes recommendations.

The Compensation Committee has full discretion to adopt or alter management recommendations or to consult its own external advisors.

The Compensation Committee believes it is important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the Compensation Committee include holding in-camera sessions without management present and, when necessary, obtaining advice from external consultants.

The Role of Management

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. As a result, management plays an important role in the compensation decision-making process. The Compensation Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals and initiatives for NEOs, and whether, and to what extent, criteria for the previous year have been achieved for those individuals. The CEO may also provide a self-assessment of his own individual performance objectives or results achieved, if requested by the Compensation Committee.

The CEO makes recommendations to the Compensation Committee regarding the amount and type of compensation awards for other members of executive management. The CEO does not engage in discussions with the Compensation Committee regarding his own Total Direct Compensation. The CEO provides the Compensation Committee with relevant public market data and other information as requested, in order to support the Compensation Committee's deliberations regarding the CEO's Total Direct Compensation and subsequent recommendation to the Board.

Performance Assessment

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Compensation Committee exercises its discretion and uses sound judgment in making compensation determinations. For example, the particular metrics used to determine short-term incentives for executives are reviewed and if appropriate, revised each year by the Compensation Committee.

The Compensation Committee's comprehensive assessment of the overall business performance of Northern Superior, including corporate performance against objectives (both quantitative and qualitative), business circumstances and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

Corporate Performance

Northern Superior's Board approves annual corporate objectives in line with the Company's key longer-term strategies for growth and value creation. These quantitative and qualitative objectives are utilized by the Compensation Committee as a reference when making compensation decisions.

At the end of each year, the Compensation Committee reviews the results achieved and discusses them with management. For the purposes of Total Direct Compensation deliberations, the Compensation Committee then determines an overall rating for actual corporate performance relative to an expected level of performance. This overall corporate performance rating provides general context for the Compensation Committee's review of individual performance by the NEOs.

A summary of the 2015 corporate performance results are noted in the section "Compensation Decisions Made for 2015 – Overall Corporate Performance", below.

Individual Performance

The Compensation Committee approves annual individual performance objectives for the NEOs that are intended to align with the corporate objectives and reflect key performance areas for each executive relative to his or her specific role. As with the corporate objectives, individual executive officer's performance objectives may include a combination of quantitative and qualitative measures with no pre-determined weightings.

The Compensation Committee, in consultation with the CEO, reviews the achievements and overall contribution of each individual executive officer who reports to the CEO. The Chair of the Board and Compensation Committee have in-camera discussions to complete an independent assessment of the performance of the CEO. The Compensation Committee then determines an overall individual performance rating for each individual executive officer and considers this rating in determining Total Direct Compensation.

Internal Equity and Retention Value

Executive officer pay relative to other executives ("internal equity") is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of the others reflects, in part, the difference in their relative responsibilities. The CEO's responsibility for the management and oversight of the enterprise is greater than each of the executive officers' respective business areas. As a result, the compensation level for the CEO is higher than for other executive officers.

The Compensation Committee also considers the retentive potential of its compensation decisions. Retention of executive officers is critical to business continuity and succession planning.

Previously Awarded Compensation

The Compensation Committee approves or recommends compensation awards which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual. The Compensation Committee believes that reducing or limiting current stock option grants or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer and reduce the motivation for continued high achievement. Similarly, the Compensation Committee does not purposely increase long-term incentive award values in a given year to offset less-than-expected returns from previous grants.

During the annual Total Direct Compensation deliberations, the Compensation Committee is provided with summaries of the history of each Executive Officer's previously awarded Total Direct

Compensation. These summaries help the Compensation Committee to track changes in an Executive Officer's Total Direct Compensation from year to year and to remain aware of the historical compensation for each individual.

Compensation Decisions Made For 2015

For the purposes of Total Direct Compensation deliberations, the Compensation Committee reviewed the 2015 corporate performance results. The Compensation committee used this information to determine an overall rating to provide general context for the review of individual performance of all executive officers (including the NEOs). Specifically, with respect to the CEO, notwithstanding the CEO's above target performance during 2015, the Compensation Committee recommended instead, and the Board approved, that no cash bonus be paid due to the current state of market conditions.

Further information regarding Northern Superior's corporate financial and business performance can be found in Management's Discussion and Analysis for the year ended December 31, 2015 filed on SEDAR (www.sedar.com).

Executive Compensation Program Risks

In formulating and implementing the Company's executive compensation policies and practices, the Compensation Committee has taken great care to consider and to mitigate the risks associated with its policies and practices. The Compensation Committee has not identified any risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. It is the view of the Compensation Committee, that the risks attached to the Company's compensation policies and practices are low for the following reasons:

- the parameters for compensation determination focus on the results of advancing the Company's exploration projects, and expansion of the business based on board approved initiatives;
- all major business acquisitions, dispositions and joint venture discussions are approved by the board prior to commitment;
- salary and bonus levels are not excessive and are not driven by a formal connection to any one metric; and
- as a small company, the directors are likely to be more aware of corporate developments.

Hedging Policy

The Company does not have a specific policy which prohibits NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by a NEO or director.

<u>Compensation Governance</u>

Policies and Practices

For a description of the Compensation Committee's policies and practices, see "How the Company Determines Compensation" under the heading "Compensation Discussion and Analysis" above.

Composition of the Compensation Committee

The Compensation Committee consists of three independent directors:

John Pollesel (Chair)
Alan C. Moon
Fred Lecoq

Education and Experience

Mr. Pollesel has more than 25 years of experience in the mining industry. He has been a member of several senior management and executive teams and has been responsible for strategic planning, developing governance models and leading organizational transformation. He has chaired Finance, Audit and Advisory Committees in addition to holding Director positions with Not-for-Profit Foundations. He holds an Honours BA in Accounting and an MBA from the University of Waterloo and Laurentian University respectively. He is a Certified Management Accountant and a Fellow in the Society of Management Accountants of Canada. He is also a Chartered Public Accountant (Fellow).

Alan C. Moon is a former senior executive with significant business experience both internationally and domestically, and brings a strong and diversified business background to the Compensation Committee. Mr. Moon, a professional engineer with an MBA, serves on the board of directors of a number of other public and private companies. He has the business experience and expertise required to make informed decisions and recommendations regarding executive compensation.

Fred Lecoq holds a BA in Political Science and Economics from the University of Grenoble (France) and has over 30 years of experience in the pension investment management sector. He worked for the Caisse de Depot et Placement du Quebec in Montreal where he was successively analyst, director of research and senior portfolio manager in charge of over $5 billion in assets, Gryphon Investment Counsel where he was Managing Partner and co-manager of the Canadian Equity portfolio and PSP Investments where he was co-manager of the Canadian Equity portfolio. Mr Lecoq obtained the CFA designation from the CFA Institute in 1984.

Responsibilities and Powers

The Compensation Committee has not engaged the services of an outside compensation consultant but has the power to do so. For a discussion of the responsibilities and powers of the Compensation Committee, see "How the Company Determines Compensation" under the heading "Compensation Discussion and Analysis".

Summary Compensation Table

The following table contains a summary of all compensation paid to the NEOs for the financial years ending December 31, 2013, 2014 and 2015:

Name and Principal Position	Year	Salary ($)	Share-based Awards	Option-based Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long Term Incentive Plans			
Thomas F. Morris, President & CEO	2015	233,654	-	2,400	-	-	-	-	236,054
	2014	225,000	-	18,832	-	-	-	-	243,832
	2013	225,000	-	19,568	-	-	-	-	244,568
Aris Morfopoulos, CFO	2105	-	-	300	-	-	-	67,000	67,300
	2014	-	-	2,354	-			72,000	74,354
	2013	-	-	2,446	-	-	-	72,000	74,446

Notes:

(1) The fair value of option-based awards represent the grant date fair value of options and is determined using the Black-Scholes option pricing model using the following assumptions: no dividends are to be paid; volatility of 40%, 121.5% and 143.1% respectively for the options granted in 2015, 2014 and 2013risk free interest rate of 0.97%, 1.43% and 1.51% respectively for the options granted in 2015, 2014 and2013 expected life of five years. The Company chose the Black-Scholes option pricing model at the recommendation of its Auditors.

(2) Mr. Morfopoulos ceased to be employed by the Company in December of 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding as at December 31, 2015, including awards granted prior to the most recently completed financial year to NEOs:

	Option-based Awards(1)				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Thomas Morris	500,000	0.24	Nov. 2, 2016	Nil	Nil	Nil	Nil
	800,000	0.105	Dec. 10, 2017	Nil	Nil	Nil	Nil
	800,000	0.10	Dec. 2, 2018	Nil	Nil	Nil	Nil
	800,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	600,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	
Aris Morfopoulos	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note (1) – Mr. Morfopoulos ceased to be employed by the Company in December of 2015 and all of his outstanding options have been canceled.

Value Vested or Earned During the Year

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company at the end of the most recently completed financial year to each of the NEOs.

Name	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Thomas F. Morris	Nil	Nil	Nil
Aris Morfopoulos(2)	Nil	Nil	Nil

Notes:

(1) dollar value that would have been realized is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) Mr. Morfopoulos ceased to be employed by the Company in December of 2015.

Significant Terms of all Incentive Plan-based Awards

See the description of the Company's stock option plan, below.

Termination and Change of Control Benefits

The CEO of the Company has an agreement in place which provides for a payment in the event that the CEO is terminated other than for cause, or in the event that a Triggering Event (as described below) occurs within 12 months following a Change of Control (as described below).

A "Change of Control" will have occurred if: (a) more than 50% of the current Board is replaced other than through natural attrition; or (b) any person, entity or group acting jointly or in concert, directly or indirectly acquires 50% or more of the Company's common shares or the shareholders approve such an acquisition.

A "Triggering Event" means the occurrence of any one of the following events without the agreement of the CEO: (i) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits or perquisites of the CEO; (ii) a diminution of the title of the CEO; (iii) a change in the position or body to whom the CEO reports; or (iv) a change in the hours or location of the CEO's employment.

In the event that a Change of Control and Triggering Event have both occurred, or if the CEO is otherwise terminated without cause, the CEO would be entitled to a payment equal to 12 months' base salary fees plus an amount equivalent to any bonus paid for the preceding year.

There are no significant conditions or obligations with which the CEO must comply in order to receive payment.

As well, the Company's stock option plan provides that all unvested options vest and become immediately exercisable upon a change of control, which is defined under the Company's stock option plan to mean the acquisition by any person (alone or together with joint actors) of not less than 20% of the issued and outstanding common shares of the Company.

Other significant terms of the agreements relating to the payments described above are: that the CEO is not required to mitigate his damages; the CEO is entitled to the full payment even if he obtains alternative employment; and the payment constitutes a full and final settlement of any claims that might otherwise exist as a result of termination of the CEO's employment.

Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to directors who were not NEOs of the Company during the Company's most recently completed financial year end.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Alan C. Moon	25,000	Nil	300	Nil	Nil	Nil	25,300
K. Wayne Livingstone	17,000	Nil	300	Nil	Nil	Nil	17,300
Arnold Klassen	19,000	Nil	300	Nil	Nil	Nil	19,300
Fred Lecoq	17,000	Nil	300	Nil	Nil	Nil	17,300
John Pollesel	16,750	Nil	300	Nil	Nil	Nil	17,050

Notes:

(1) The fair value of option-based awards represent the grant date fair value of options and is determined using the Black-Scholes option pricing model using the following assumptions: no dividends are to be paid; volatility of 40%, risk free interest rate of 0.97%,and expected life of five years. The Company chose the Black-Scholes option pricing model at the recommendation of its Auditors

Material Factors Necessary to Understand Director Compensation

The Company has adopted a compensation scheme for non-executive directors that pays cash amounts as follows:

- each director other than the Chair of the Board receives an annual fee of $12,000;
- the Chair of the Board receives an annual fee of $21,000;

- the Chair of the Audit Committee receives an additional annual fee of $3,000;
- the Chair of each other committee of the Board receives an additional annual fee of $1,000; and
- each director receives an additional $1,000 for each quarterly board meeting attended in person or by phone to a maximum of $4,000 per year.

Directors are also reimbursed for travel and other expenses incurred in attending meetings and the performance of their duties. **Notwithstanding the above, on June 17th, 2016, the Board resolved to suspend payment of cash compensation indefinitely.**

Director Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company as at December 31, 2015, including awards granted prior to the most recently completed financial year to each of the Directors of the Company who were not NEOs.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Alan C. Moon	100,000	0.24	Nov. 2, 2016	Nil	Nil	Nil	Nil
	100,000	0.105	Dec.10, 2017	Nil	Nil	Nil	Nil
	100,000	0.10	Dec. 3, 2018	Nil	Nil	Nil	Nil
	100,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	75,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	Nil
K. Wayne Livingstone	100,000	0.24	Nov. 2, 2016	Nil	Nil	Nil	Nil
	100,000	0.105	Dec. 10, 2017	Nil	Nil	Nil	Nil
	100,000	0.10	Dec. 3, 2018	Nil	Nil	Nil	Nil
	100,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	75,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	Nil
Arnold Klassen	100,000	0.24	Nov. 2, 2016	Nil	Nil	Nil	Nil
	100,000	0.105	Dec. 10, 2017	Nil	Nil	Nil	Nil
	100,000	0.10	Dec. 3, 2018	Nil	Nil	Nil	Nil
	100,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	75,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	Nil
Fred Lecoq	100,000	0.105	Dec. 10, 2017	Nil	Nil	Nil	Nil
	100,000	0.10	Dec. 3, 2018	Nil	Nil	Nil	Nil
	100,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	75,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	Nil
John Pollesel	100,000	0.10	Dec. 3, 2018	Nil	Nil	Nil	Nil
	100,000	0.05	Nov. 10, 2019	Nil	Nil	Nil	Nil
	75,000	0.05	Nov. 5, 2020	Nil	Nil	Nil	Nil

Notes:

(1) The dollar value that would have been realized is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

Director Incentive Plan Awards - Value Vested or Earned During The Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company who were not NEOs during the most recently completed financial year:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Alan C. Moon	Nil	Nil	Nil
K. Wayne Livingstone	Nil	Nil	Nil
Arnold Klassen	Nil	Nil	Nil
Fred Lecoq	Nil	Nil	Nil
John Pollesel	Nil	Nil	Nil

The Board considers option grants to directors at the time a director joins the board and annually. Option grants to directors are intended as a long term incentive and vest in equal portions over three years.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain information as at the end of the Company's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (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 security holders	8,930,000	$0.11	10,027,797
Equity compensation plans not approved by security holders	nil	n/a	Nil
Total	8,930,000	$0.21	10,027,797

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, employees or executive officers of the Company, none of the proposed directors of the Company and none of the associates of such persons is or has been indebted to the Company at any time since the beginning of the Company's last completed financial year. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Company, nor any proposed director of the Company, nor any person who beneficially owns, directly or indirectly, shares of the Company or who exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction not otherwise disclosed herein which, in either case, has affected or will materially affect the Company, except as disclosed herein.

APPOINTMENT OF AUDITOR

James Stafford, Chartered Accountants are recommended by Management for re-appointment by the shareholders.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

The following Corporate Governance Disclosure meets the requirements of National Policy 58-201 Corporate Governance Guidelines as well as National Instrument 58-101, Disclosure of Corporate Governance Practices, applicable to issuers whose securities are listed on the Exchange.

Board of Directors

a. The following directors are unrelated in that they are independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with the best interests of the Company, other than interests and relationships arising from shareholding:

   Alan C. Moon;
   K. Wayne Livingstone;
   Arnold Klassen;
   Fred Lecoq; and
   John Pollesel.

b. Thomas F. Morris is a member of management and thus is not independent.

c. A majority of directors are independent.

d. Certain of the directors are presently a director of one or more other reporting issuers, as follows:

Director	Other Issuer(s)
Alan C. Moon	Tahoe Resources Inc.
K. Wayne Livingstone	New Oroperu Resources Inc. Carlin Gold Corporation Constantine Metal Resources Ltd.
John Pollesel	Calico Resources Corp.

e. Each regularly scheduled Board meeting includes an *in camera* meeting of the independent directors, which members of management and the non-independent directors do not attend. The independent directors of the Board may also hold additional meetings that members of management and non-independent directors do not attend. The Chair informs management of the substance of these meetings to the extent that action is required by management. During 2015 the independent directors met four (4) times when members of management and non-independent directors were not in attendance.

f. The Chair of the Board, Alan C. Moon, is an independent director, which enhances the Board's ability to function independently of management. It is the Chair's responsibility to ensure that the relationships between management, shareholders and the Board are efficient and effective. The Chair acts as a resource for the CEO, and at all times retains an independent perspective to represent the best interests of the Company.

g. The following chart illustrates the number of meetings of the Board and each committee, and the directors' attendance during 2015, with each director's attendance shown relative to the number of meetings in which he was eligible to participate.

Director	Board Meetings	Committee			
		Corporate Governance and Nominating	Audit	Compensation	Environment and Safety
Alan Moon	5/5		4/4	2/2	
Thomas F. Morris	5/5				
K. Wayne Livingstone	5/5	2/2			2/2
Arnold Klassen	5/5	2/2	4/4		
Fred Lecoq	5/5	2/2	4/4	2/2	
John Pollesel	5/5			2/2	2/2

Board Mandate

The written mandate of the Board is the following:

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with the British Columbia *Business Corporations Act;* the Company's Articles of Incorporation; the Company's Code of Business Ethics and Conduct; the Mandate of the Board and the charters of the Board's committees and other applicable laws and policies. The Board approves all significant decisions that affect the Company before they are implemented. As a part of its overall responsibility for the stewardship of the Company, the Board assumes responsibility for the following:

- *Stewardship* - The Board sets and supervises standards of corporate governance that create a culture of integrity throughout the Company, and guides the operations of the Company and management in compliance with the Company's constating documents and British Columbia corporate law, securities legislation in each jurisdiction in which the Company is a reporting issuer, and other applicable laws.

- *Strategic Planning* - The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan, which takes into account the opportunities and risks of the business. Following the completion of each year, the Board undertakes a review of this strategic plan to assess the strengths, weaknesses and overall results of the plan. The Board also receives reports of management on a regular basis throughout the year on the current and proposed operations of the Company and reviews the opportunities of the Company and assesses risks to which the Company is exposed so that the plan can be adjusted where required.

- *Dealing with Risks* - The Board, in its annual assessment of the strategic plan, identifies principal risks and considers how to monitor and manage the risks. The principal risks to the Company have been identified as risks relating to the environment, safety, securities markets, commodity prices and currency fluctuations, legislative and title issues arising from operations in foreign jurisdictions and the fact that mineral exploration and development activities are inherently risky. The Board has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized. The board may from time to time appoint management, board members or advisors to assist in assessing different risks.

- *Succession Planning* - The Board, through the Compensation Committee, annually identifies the key individuals of the Company and, in consultation with management, determines how best to replace such individuals should the need arise. The Board's policy is to select individuals who have the required expertise and would therefore require a minimum of training in order to assume their role with the Company. Management is assigned the responsibility of training and advising the new person of the Company's policies and practices. The CEO has primary responsibility for supervising and reviewing the performance of other senior management. The Board is actively involved with the operations of the Company and therefore the performance of senior management is always under scrutiny.

- *Communication Policy* - The Disclosure and Stock Trading Policy governs communication with shareholders and others and reflects the Company's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to enhancing the Company's relationship with its shareholders.

- *Internal Control and Management Information Systems* - The effectiveness and integrity of the Company's internal control and management information systems contribute to the effectiveness of the Board and the Company. To maintain the effectiveness and integrity of the Company's financial controls, the Board, through the audit committee which consists solely of independent directors, monitors internal control and management information systems.

- *Approach to Corporate Governance* - The Board has appointed a Corporate Governance and Nominating Committee composed entirely of independent directors, and which has overall responsibility for developing the Company’s approach to corporate governance including keeping informed of legal requirements and trends regarding corporate governance, monitoring and assessing the functioning of the Board and committees of the Board, and for developing, implementing and monitoring good corporate governance practices in the form of the Company’s Guide to Corporate Governance. The Corporate Governance and Nominating Committee is also responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.

  Individual directors may engage an outside adviser at the expense of the Company in appropriate circumstances, subject to the approval of the Chair of the Corporate Governance and Nominating Committee.

- *Feedback* - The Company’s website facilitates feedback from shareholders by permitting requests for information and sending messages directly to the Company.

- *Expectations and Responsibilities of Directors* - The Board is responsible for determining the committees of the Board that are required to effectively manage certain aspects of the Board's duties, and for ensuring that the committees have the requisite independence, competency and skill. The Board approves and annually reviews the charters of the committees, and conducts, with the assistance of the Corporate Governance and Nominating Committee, annual reviews of the performance of the committees.

Directors are responsible for attending Board meetings as well as meetings of committees of which the director is a member. Directors are responsible for reviewing meeting materials in advance of the meeting.

Directors are responsible for fulfilling the Board's expectations of directors, as set out in the Position Description - Directors, in respect of: Board Activity; Preparation and Attendance; Communication; Committee Work; and Business, Community and Industry Knowledge.

Position Descriptions

a. The Board has developed written position descriptions for the Chair and the Chair of each Board committee.

b. The Board and CEO have developed a written position description for the CEO, which delineates the role and responsibilities of the CEO.

Orientation

a. The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the Company's business:

   i. Each new director is provided with a copy of the Board Manual, which contains the Company's policies and provides a comprehensive introduction to the Board and its committees; and

   ii. Each new director brings a different skill set and professional background, and with this information, the Chair is able to determine what orientation to the nature and operation of the Company's business will be necessary and relevant to each new director.

b. The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors:

   i. The Board Manual is reviewed at least annually and revised materials are given to each director; and

   ii. There is a technical presentation at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

Ethical Business Conduct

a. The Board has adopted a written Code of Business Conduct & Ethics for its directors, officers, employees and consultants (the "**Code**"), a copy of which is filed on SEDAR:

   i. A copy of the Code was provided to each director, officer, employee and consultant and will be provided to each new director, officer, employee and consultant upon joining the Company. In addition, if the Code is amended or revised, then a new copy is distributed;

   ii. In order to ensure compliance with the Code, the Board has established complaint procedures for financial concerns, and environment and safety concerns; and

iii. There has never been a material change report filed, and more particularly not within the preceding 12 months, that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

b. The Board complies with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

c. In addition to the Code, the Board has also implemented a Disclosure and Stock Trading Policy, and a Code of Employee Conduct to encourage and promote a culture of ethical business conduct.

Nomination of Directors

a. In order to identify new candidates for nomination to the Board, the Board considers the advice and input of the Corporate Governance and Nominating Committee regarding:

i. the appropriate size of the Board, the necessary competencies and skills of the Board as a whole; and the competencies and skills of each existing director; and

ii. the identification and recommendation of new individuals qualified to become new Board members. 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 and a willingness to serve.

b. The Board has a Corporate Governance and Nominating Committee composed entirely of independent directors.

c. The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees. The Committee has the power to engage outside advisors and determine its own procedures.

Compensation

a. The process by which the Board determines the compensation for executive officers of the Company is described in the Compensation Discussion and Analysis of the Compensation Committee. The Board determines the compensation for the Company's directors by comparison with publicly available information on other reporting issuers in the mineral industry.

b. The Board has a Compensation Committee composed entirely of independent directors.

c. The Compensation Committee is responsible for reviewing and recommending to the Board the CEO's compensation; for evaluating the performance of the CEO; for making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation disclosure in advance of publication. The Committee has the power to engage outside advisors and determine its own procedures.

Other Board Committees

In addition to the Audit, Compensation and Corporate Governance and Nominating committees, the Board has an Environment, Health, Safety and Corporate Social Responsibility Committee. The Environment, Health, Safety and Social Responsibility Committee has overall responsibility for developing and monitoring standards for ensuring a safe, healthy work environment and sustainable development in a socially responsible manner. The Board may also, from time to time, create a special committee to consider particular transactions. Committees of the Board are generally composed of independent directors.

Assessments

The Corporate Governance and Nominating Committee evaluates the effectiveness of the Board, its committees and individual directors. Each committee conducts an annual assessment of its effectiveness and contribution, consisting of a review of its Charter, the performance of the committee as a whole. The committee then submits a Committee Annual Assessment Report to the Corporate Governance and Nominating Committee, including recommendations. In addition, the Board conducts an annual review of its performance.

AUDIT COMMITTEE DISCLOSURE

The following disclosure meets the requirements of National Instrument 52-110, Audit Committees, for Venture Issuers.

1. The Audit Committee's Charter

Purpose

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company’s internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company’s external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member’s duties as a member of the Board. Nothing in this Charter, however, is intended to or does confer on any member a higher standard of care or diligence than that which applies to the Directors as a whole.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management.

Procedural Matters

The Audit Committee:

a. meets at least four times per year, either by telephone conference or in person;

b. invites the Company's external auditors, the Chief Financial Officer, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee;

c. reports material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate;

d. has the power to conduct or authorize investigations into any matter within the scope of its responsibilities;

e. has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee;

f. has the right to communicate directly with the CFO and other members of management who have responsibility for the internal and external audit process, as well as to communicate directly with the internal and external auditors; and

g. pre-approves non-audit services to be performed by the external auditors in accordance with the Audit Committee’s pre-approval policies and procedures, which pre-approval is subject to ratification by the Board. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

Responsibilities

External Auditors

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management.

The external auditors report directly to the Audit Committee.

Also, the Audit Committee:

a. recommends to the Board:

   i. whether the current external auditors should be nominated for reappointment for the ensuing year and if the current external auditors are not to be reappointed, select and recommend a suitable alternative for nomination; and

   ii. the amount of compensation payable to the external auditors;

b. resolves disagreements, if any, between management and the external auditors regarding financial reporting;

c. provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;

d. takes reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any;

e. confirms that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations;

f. reviews and evaluates the performance of the external auditors; and

g. reviews and approves the Company’s hiring policy regarding partners, employees and former partners and employees of the Company’s external auditors.

Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company’s financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee:

a. considers the scope and general extent of the external auditors' review, including their engagement letter and major changes to the Company’s auditing and accounting principles and practices;

b. consults with management regarding the sufficiency of the Company's internal system of audit and financial controls, internal audit procedures and results of such audits;

c. ensures the external auditors have full, unrestricted access to required information and have the cooperation of management;

d. reviews with the external auditors the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;

e. reviews with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;

f. reviews the appropriateness and disclosure of any off-balance sheet matters;

g. reviews disclosure of related-party transactions;

h. receives and reviews with the external auditors, the external auditors' audit report and the audited financial statements;

i. makes recommendations to the Board respecting approval of the audited financial statements;

j. meets with the external auditors separately from management to review the integrity of the Company’s financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting, adequacy of disclosure controls and procedures, and the degree of compliance by the Company with prior recommendations of the external auditors;

k. directs management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and

l. meets at least annually with the external auditors, independent of management, and reports to the Board on such meetings.

Interim Financial Statements

The Audit Committee:

a. reviews on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors;

b. conducts all such reviews and discussions with the external auditors and management as it deems appropriate;

c. reviews the interim financial statements with the external auditors on an informal, as needed basis; and

d. makes recommendations to the Board respecting approval of the interim financial statements.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting.

The Audit Committee:

a. reviews the Company's annual and interim financial statements, Management's Discussion and Analysis and earnings press releases, if any, before the Company publicly discloses this information;

b. reviews all of the Company's public disclosure of financial information extracted from the Company's financial statements, if such financial statements have not previously been reviewed by the Committee, prior to such information being made public by the Company and for such purpose, the CFO assumes responsibility for providing the information to the Audit Committee for its review;

c. reviews material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan;

d. consults annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls over financial reporting and disclosure controls and procedures and reviews any breaches or deficiencies;

e. obtains such certifications of annual and interim filings by the CEO and CFO including attestations to internal controls over financial reporting and disclosure controls and procedures as deemed advisable;

f. reviews management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management;

g. reviews as required with management the annual financial statements, the quarterly financial statements, Management's Discussion and Analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents;

h. reviews with management the Company's compliance with applicable laws and regulations respecting financial reporting matters;

i. reviews with management proposed regulatory changes and their impact on the Company; and

j. reviews as required with management and approves disclosure of the Audit Committee Charter, and Audit Committee disclosure required in the Company's Annual Information Form, Information Circular and on the Company's website.

Composition

The Audit Committee will be composed of three directors, all of whom will be directors who are not officers or employees of the Company or any of its subsidiaries.

In addition, members of the Audit Committee will meet the prescribed independence, financial literacy and experience requirements and will have relevant skills and/or experience in the Committee's areas of responsibility as required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

Appointment of Committee Members

Members of the Audited Committee will be appointed or confirmed by the Board annually and will hold office at the pleasure of the Board.

Vacancies

Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board. The Board must fill any vacancy if the membership of the Audit Committee is less than the minimum requirement number of directors required for the Audit Committee.

Committee Chair

The Board will appoint a Chair for the Audit Committee.

Structure and Operations

Absence of Committee Chair

If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee who is present at the meeting will be chosen by the Audit Committee to preside at the meeting.

Secretary of Committee

At each meeting the Audit Committee will appoint a secretary who need not be a director of the Company.

Meetings

The Chair of the Audit Committee or the Chair of the Board or any two of its members may call a meeting of the Audit Committee.

Quorum

A majority of the members appointed to the Audit Committee will constitute a quorum.

Notice of Meetings

The Chair of the Audit Committee will arrange to provide notice of the time and place of every meeting in writing (including by facsimile) to each member of an Audit Committee at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The Chair will also ensure that an agenda for the meeting and all required materials for review by the members of the Audit Committee are delivered to the members with sufficient time for their review, or that such requirement is waived.

Attendance of the Company's Officers at Meetings

The Chair of the Audit Committee or any two members of the Audit Committee may invite one or more officers of the Company to attend any meeting of the Audit Committee.

Delegation

The Audit Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee, management or, to the extent otherwise permitted by applicable plans, laws or regulations, to any other body or individual.

Procedure and Records

Subject to any statute or constating documents of the Company, the Audit Committee will determine its own procedures at meetings and may conduct meetings by telephone and will keep records of its proceedings.

Complaints

The Audit Committee has established procedures for:

a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted as outlined in the Company’s Whistle Blower Policy – Accounting, Internal Controls or Auditing Matters. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential.

Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. The results of that initial investigation will be brought before the Audit Committee for a determination of further investigation and action.

Records of complaints made and the resulting action or determination with respect to the complaint will be documented and kept in the records of the Audit Committee for a period of three years.

The Audit Committee reviews the Whistle Blower Policy annually.

Reporting and Assessment

The Audit Committee will report to the Board of Directors.

The Audit Committee will review its Charter and conduct an assessment of its performance, and the performance of the Audit Committee Chair, on an annual basis. The Audit Committee shall report to the Corporate Governance and Nominating Committee the results of such review and assessment, including any recommendations for change (the "**Committee Annual Report**").

2. Composition of the Audit Committee

The Audit Committee consists of three independent members all of whom are financially literate: Arnold Klassen (Chair), Fred Lecoq and Alan C. Moon.

3. Relevant Education and Experience

Arnold Klassen (Chair of the Audit Committee) is a Chartered Accountant with more than 35 years of accounting and finance experience, of which 30 years has been in the mining industry. He was employed by Dynatec for 20 years, and from 1994 to 2007, prior to his retirement, he held the position of VP, Finance. From 1977 to 1984 Mr. Klassen was employed by KPMG where he earned his CA designation in 1979. From 1984 to 1994 Mr. Klassen held various senior financial positions with Dynatec Corporation or its predecessors. He has the financial and accounting expertise to understand and evaluate financial statements, the accounting principles applied to natural resource companies' financial statements and the internal controls required to accurately report the Company's financial position.

Alan C. Moon (Chair of the Board of Directors) is a former senior executive with significant business experience both internationally and domestically, and brings to the board a strong and diversified business background. Mr. Moon, a professional engineer with an MBA, serves on the board of directors of a number of other public and private companies. He has the business expertise to understand and evaluate financial statements and the accounting principles applied to financial statements of natural resource companies.

Fred Lecoq is a chartered financial analyst (CFA) with over 30 years of experience in the investment industry and as such, he has both the educational background and business experience necessary to understand and evaluate financial statements.

4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board of Directors has adopted all recommendations of the Audit Committee regarding nomination or compensation of the external auditors.

5. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 *(De Minimis Non-audit Services*); or an exemption from Multilateral Instrument 52-110, in whole or in part, granted under Part 8 (*Exemptions).*

6. Pre-Approval Policies and Procedures

The Audit Committee pre-approves all non-audit related services provided by the external auditors.

7. External Auditors' Service Fees (By Category)

The fees paid to the External Auditors were as follows:

	2015	2014
Audit Fees	$17,000	$18,000
Audit Related Fees	Nil	Nil
Tax Fees(1)	Nil	3,799
TOTAL	**$17,000**	**$21,799**

(1) for services rendered in the ordinary course of business for tax compliance.

8. Exemption

Pursuant to section 6.1 of National Instrument 52-110, "Audit Committees", the Company is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*). Part 3 of National Instrument 52-110 specifies the requirements for the composition, independence and financial literacy of the Audit Committee and the Company meets these requirements, notwithstanding the exemption. Part 5 specifies the reporting obligations for issuers that are not venture issuers, meaning the issuer's shares are not listed on the Toronto Stock Exchange, a US marketplace, or a marketplace outside of Canada and the United States.

STOCK OPTION PLAN DISCLOSURE

The following is a description of the Company's 2016 Stock Option Plan, as amended, (the "**Plan**"), for which shareholder approval is sought. Pursuant to policies of the Exchange, the Plan requires shareholder approval every year. The Plan is identical in all respects to the previous version of the plan (which was last amended in 2007) save an except for the addition of an additional provision required by the Exchange to bring the Plan into compliance with Exchange policies.

In particular, the Exchange requested and the Plan has been amended to provide, that the number of options granted to any one consultant in any 12 month period shall not exceed 2% of the Company's issued and outstanding Shares.

Under the Plan, the Board of Directors is authorized to designate persons to whom options should be granted. Currently, employees, consultants and directors and officers of the Company, its subsidiaries and of companies providing management or administrative services to the Company are eligible participants in the Plan ("**Eligible Participants**").

The exercise price for an option granted under the Plan cannot be less than the price permitted by Exchange policies. The Company presently does not have a share purchase plan and does not grant stock appreciation rights.

Options granted have a vesting period if required by the Board or Exchange policies. The Board generally imposes a vesting schedule of one third of the options subject to the grant on each of the first three anniversaries of the grant date.

Options may not be granted for a term exceeding 10 years, except in the case of options that expire during, or within 10 days of the expiry of a blackout period, in which case the expiry date is 10 days after the expiry of such blackout period.

Options granted under the Plan may not be assigned by the optionee other than by will or pursuant to the laws of succession, and to a trust, RESP or RRSP or similar legal entity established by the optionee. The Plan provides that under no circumstances shall the Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of shares, result, at any time, in: (i) the issuance to insiders, within a one year period, of a number of shares exceeding 10% of the issued and outstanding shares; (ii) the issuance to consultants or persons conducting investor relations activities, within a one year period, of a number of shares exceeding 2% of the issued and outstanding shares, or (iii) the issuance to any one insider and such insider's associates, within a one year period, of a number of shares exceeding 5% of the issued and outstanding shares unless the Company has obtained disinterested shareholder approval.

If an optionee ceases to be an Eligible Participant for any reason other than death, then such optionee has the lesser of 90 days, which date will be extended to the date that is 10 days after the end of a blackout period (imposed by Management of the Board), if applicable, or until the Expiry Date within which to exercise any option not exercised prior to the date of ceasing to be an Eligible Participant. However, where the employment of an employee or the engagement of a Consultant or Insider is terminated (i) without a valid cause the Board may, in its discretion, amend the terms of any option held by such optionee to permit such person to exercise any or all of such options as if such optionee's employment or engagement had not been terminated and (ii) for cause the Board may, in its discretion, amend the terms of any options held by such optionee that have not been previously exercised such that the options will only be exercisable on the next five business days following the date of personal delivery of a written notice to the optionee.

Options will be adjusted in the event of any consolidation or subdivision of shares or the declaration of a dividend. In the event of a take-over bid or a change of control, as defined in the Plan, the Options become vested and exercisable in accordance with the terms of the Plan.

Notwithstanding all of the foregoing, no amendment to the Plan may alter or impair any of the terms of any options previously granted to an optionee under the Plan without the consent of the optionee.

RE-APPROVAL OF STOCK OPTION PLAN (AS AMENDED)

Shareholders will be asked at the Meeting to consider and, if deemed appropriate, approve with or without variation, the following ordinary resolution re-authorizing the Plan (as amended):

"RESOLVED that the Company re-approve and adopt, subject to TSX Venture Exchange (the "Exchange") approval, its rolling stock option plan as amended (the "2016 Plan"), allowing the Company to reserve for issuance upon exercise of options granted under such plan up to 10% of the number of outstanding shares of the Company at the date of the grant of options, in substantially the form that has been made available to the Company's shareholders, and that all grants of stock options by the Company occurring after the receipt of such Exchange approval will be pursuant to the 2016 Plan."

By adopting the Plan, the Company will be continue to have a stock option plan that is consistent with the policies of the Exchange. If the Plan is re-approved by shareholders as amended, all grants of stock options by the Company occurring after the receipt of the Exchange approval will be pursuant to the Plan.

For full particulars, please refer to the text of the Plan (as amended), a copy of which is available for review by any Shareholder up until the day preceding the Meeting at the Company's registered and records offices at Boughton Law Corporation, Suite 700, 595 Burrard Street, Vancouver, British Columbia.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the financial statements and Management Discussion and Analysis. Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year.

Directors' Approval

The undersigned hereby certifies that the contents and the sending of this Information Circular to the shareholders of the Company have been approved by the Board of Directors of the Company.

*(signed) "**Thomas F. Morris**"*

DATED at Vancouver, British Columbia
June 20th, 2016

Thomas F. Morris
President, CEO & Director