

CALIFORNIA GOLD MINING INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

AN ANNUAL AND SPECIAL MEETING

OF SHAREHOLDERS OF

CALIFORNIA GOLD MINING INC.

TO BE HELD ON JANUARY 21, 2015

December 16, 2014

CALIFORNIA GOLD MINING INC.**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of CALIFORNIA GOLD MINING INC. (the "**Corporation**") will be held at the offices of Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto-Dominion Centre, Toronto, Ontario on January 21, 2015 at 10:00 a.m. (Toronto time) for the following purposes:

1. TO RECEIVE the audited financial statements of the Corporation and the Report of the Auditor for the financial years ended August 31, 2014 and August 31, 2013;
2. TO RE-APPOINT the auditor for the ensuing year and authorize the board of directors of the Corporation to fix the auditor's remuneration;
3. TO FIX the board of directors at six directors and to elect directors;
4. TO CONSIDER and, if thought appropriate, to pass, with or without variation, a special resolution (the "**Continuance Resolution**"), the full text of which is set forth in the accompanying Information Circular and incorporated herein by reference, approving the continuance (the "**Continuance**") of the Corporation into the Province of Ontario under Section 180 of the *Business Corporations Act* (Ontario) and Section 189 of the *Business Corporation Act* (Alberta);
5. TO TRANSACT such further and other business as may properly come before the Meeting and any adjournment or postponement thereof.

The Information Circular provides further information respecting proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Annual and Special Meeting.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is December 22, 2014 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

To be effective, the Continuance Resolution will have to be approved by at least two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited at the office of the registrar and transfer agent of the Corporation, TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, or be faxed to (416) 595-9593, not later than twenty-four (24) hours (Toronto time), excluding Saturdays, Sundays and holidays prior to the time of the Meeting or any adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairman of the Meeting in his discretion and the Chairman is under no obligation to accept or reject any particular late instruments of proxy.

DATED at Toronto, Ontario this 16th day of December, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Patrick Cronin” _____

Patrick Cronin

Chairman of the Board

MANAGEMENT INFORMATION CIRCULAR OF CALIFORNIA GOLD MINING INC.

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

No person is authorized to give any information or to make any representation on behalf of the Corporation not contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

Information in this Information Circular is given as at December 16, 2014, except as otherwise indicated.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This solicitation of proxies is not subject to the requirements of Section 14(a) of the United States *Securities Exchange Act of 1934*, as amended. Accordingly, this Information Circular has been prepared in accordance with disclosure requirements in effect in Canada, which differ from disclosure requirements in the United States.

Financial statements and other financial information referred to in this Information Circular have been prepared in accordance with IFRS, which differ in certain respects from generally accepted accounting principles in the United States and therefore may not be comparable to financial statements of United States companies.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation exists under the laws of the Province of Alberta and that most of the officers and directors of the Corporation are citizens and residents of countries other than the United States. You may not be able to sue a Canadian company or its officers or directors in a Canadian court for violations of U.S. securities laws. In addition, it may be difficult to compel a Canadian company and its affiliates to subject themselves to a U.S. court's judgment.

FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements. All statements other than statements of historical fact contained in this Information Circular are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy and plans and objectives of or involving the Corporation. Shareholders can identify many of these statements by looking for words such as "believe", "expects", "will", "may", "might", "could" "intends", "projects", "anticipates", "estimates", "continues", "plans" or similar words or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Information Circular. Although the Corporation believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking statements. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: the impact of general economic conditions, industry conditions, governmental regulation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market

volatility and ability to access sufficient capital from internal and external sources and the risk that actual results will vary from the results forecasted and such variations may be material.

The information contained in this Information Circular identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors.

The forward-looking statements contained in this Information Circular are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Information Circular are made as of the date of this Information Circular, and the Corporation does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

CURRENCY

Unless otherwise specified, all dollar (\$) amounts in this Information Circular are expressed in Canadian dollars.

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

"**ABCA**" means *Business Corporation Act* (Alberta), as amended from time to time.

"**affiliate**" means a company that is affiliated with another company as described below.

A company is an "Affiliate" of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is "controlled" by a Person(s) if:

- (a) voting securities of the company carrying more than 50 per cent of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other Person(s);
- (b) the voting securities, if voted, entitle the Person(s) to elect a majority of the directors of the company.

"**Alberta Registrar**" means the Registrar of Corporations under the ABCA.

"**Articles of Continuance**" means the articles of continuance of the Corporation to be filed with the Director appointed under Section 278 of the OBCA.

"**associate**" when used to indicate a relationship with a Person, means

- (a) a company of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the company,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person, who is an individual
 - (i) any relative of the Person or of his spouse who has the same residence as that Person;
 - (ii) any Person who resides in the same home as that person and to whom that Person is married or with whom that person is living in a conjugal relationship outside marriage; or
 - (iii) any relative of a Person mentioned in (ii) who has the same home as that person..

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation.

"**Certificate of Continuance**" means the certificate of continuance to be issued by the Director appointed under Section 278 of the OBCA pursuant to subsection 180(4) of the OBCA in respect of the Articles of Continuance.

"**Common Shares**" means the common shares of the Corporation.

"**Continuance**" has the meaning granted thereto in the notice of annual and special meeting attached hereto.

"**Continuance Application**" means the application filed with the Director under the OBCA as required in connection with the Continuance.

"**Continuance Resolution**" has the meaning granted thereto in the notice of annual and special meeting attached hereto.

"**Corporation**" or "**California Gold**" means California Gold Mining Inc.

"**Demand for Payment**" means a written notice containing the Dissenting Holder's name and address, the number of Dissent Shares held by the Dissenting Holder, and a demand for payment of the fair value of such Dissent Shares.

"**Dissent Notice**" means a written objection to the Continuance Resolution by a Registered Shareholder in accordance with the Dissent Procedures.

"**Dissent Procedures**" means the dissent procedures and requirements set forth in Section 191 of the ABCA and described in this Circular under the headings "*The Continuance – ABCA Rights of Dissent in Respect of the Continuance Resolution*".

"**Dissent Rights**" means the rights of a Registered Shareholder to dissent in respect of the Continuance in strict compliance with the Dissent Procedures.

"**Dissent Shares**" means Common Shares held by a Dissenting Holder.

"**Dissenting Holder**" means a Registered Shareholder who has properly and validly dissented in respect of the Continuance Resolution in strict compliance with the Dissent Rights, who has not withdrawn or been deemed to have withdrawn such Dissent Notice and who is ultimately determined to be entitled to be paid the fair value of its Common Shares, but only in respect of the Common Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder.

"**IFRS**" means International Financial Reporting Standards, which are issued by the International Accounting Standards Board, as adopted in Canada.

"**Information Circular**" means this management information circular, including all schedules and appendices hereto.

"**Informed Person**" means:

- (a) a director or executive officer of the Corporation;
- (b) a director or executive officer of a person or company that it itself an informed person or subsidiary of a reporting issuer;

- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a corporation that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

"**Meeting**" means the annual and special meeting of the Shareholders and any adjournment or postponement thereof, called to consider, among other things, those items set forth in the Notice of Annual and Special Meeting attached to this Information Circular.

"**Named Executive Officers**" has the meaning ascribed thereto in this Information Circular under the heading entitled "Information Concerning the Corporation – Statement of Executive Compensation".

"**OBCA**" the *Business Corporations Act* (Ontario), as amended from time to time.

"**Record Date**" means December 22, 2014.

"**Registered Holders**" means the registered holders of Common Shares.

"**Stock Option Plan**" means the Corporation's fixed number stock option plan which was approved by shareholders on April 4, 2013 pursuant to which 25,615,000 Common Shares are reserved for issuance.

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

PART I GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by and on behalf of the management of the Corporation of proxies to be used at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. In addition to solicitation by mail, certain officers, directors and employees of the Corporation may solicit proxies by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of solicitation by management will be borne directly by the Corporation. The head office of the Corporation is located at 4 – 140 11th Avenue S.W., Calgary, Alberta T2R 0B8.

In accordance with National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The Record Date to determine the shareholders entitled to receive notice of and vote at the Meeting is December 22, 2014.

VOTING OF PROXIES

The persons named (the "Management Designees") in the accompanying instrument of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appoints them. Any Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) other than the Management Designees to attend and to vote and act for and on behalf of such person at the Meeting. In order to do so the Shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of proxy. All instruments of proxy must be deposited with TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or by fax at (416) 595-9593 not later than twenty-four (24) hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Common Shares represented by any properly executed proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, the Common Shares will be voted in favour of the matters set forth herein.**

The accompanying instrument of proxy confers discretionary authority on the Management Designees with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgement of management of the Corporation.

REVOCATION OF PROXIES

A Shareholder giving a proxy has the power to revoke it. Such revocation may be made by the Shareholder attending the Meeting by fully executing another instrument of proxy bearing a later date and duly depositing the same before the specified time, or by written instrument revoking such proxy duly

executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either at the head office of the Corporation or its registrar and transfer agent at any time up to and including the close of business on January 20, 2015 or thereafter with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

ADVICE TO BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The CDS Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

These Meeting materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Management of the Corporation does not intend to pay for intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and request for voting instructions and in the case of objecting Beneficial Shareholders, the objecting Beneficial Shareholder will not receive the materials unless the objecting Beneficial Shareholder's intermediary assumes the cost of delivery.

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as described herein, the Corporation is not aware of: (i) any person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year; (ii) a nominee for election as a director of the Corporation at the Meeting; or (iii) any associate or affiliate of any such director or executive officer or nominee, who has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Registered holders of Common Shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such shares at the Meeting on the basis of one vote for each Common Share held.

The Corporation is authorized to issue an unlimited number of Common Shares. As of the date hereof, 167,722,620 Common Shares were issued and outstanding.

Under the Corporation's by-laws, the quorum for the transaction of business at the Meeting consists of at least two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

As at the date hereof, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by TMX Equity Transfer Services, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), the following person owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation:

Name	Number of Voting Securities	Percentage
R.W. Tomlinson Limited ⁽¹⁾ <i>Ottawa, Ontario</i>	21,400,000	12.8%

Note:

(1) A corporation beneficially owned by William Tomlinson of Manotick, Ontario, Canada.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein no Informed Person of the Corporation, nominee for election as director of the Corporation or any associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, in any transaction which has occurred within the fiscal year ended August 31, 2014, or in any proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

**PART II
PARTICULARS OF MATTERS TO BE ACTED UPON**

(1) FINANCIAL STATEMENTS

The Shareholders will receive and consider the audited financial statements of the Corporation for the fiscal years ended August 31, 2014 and 2013 together with the auditor's report thereon.

(2) APPOINTMENT OF AUDITOR

Management recommends the re-appointment of MNP LLP (formerly MSCM LLP), Chartered Accountants, of Toronto, Ontario, the present auditor, as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders.

Management first appointed MNP LLP (formerly MSCM LLP) to be auditor of the Corporation on November 8, 2010. Prior to the appointment of MSCM LLP, Collins Barrow Toronto LLP served as the Corporation's auditor from January 9, 2008 until November 8, 2010.

Aggregate fees paid to MNP LLP during the fiscal years ended August 31, 2014 and 2013 are set out under the section of this Information Circular entitled "Information Concerning the Corporation – Audit Committee – External Auditor Service Fees (By Category)".

IN THE ABSENCE OF INSTRUCTIONS TO THE CONTRARY, THE COMMON SHARES REPRESENTED BY A PROPERLY EXECUTED FORM OF PROXY IN FAVOUR OF THE PERSONS DESIGNATED BY MANAGEMENT OF THE CORPORATION WILL BE VOTED FOR THE RE-APPOINTMENT OF MNP LLP CHARTERED ACCOUNTANTS AS AUDITORS OF THE CORPORATION AND FOR THE BOARD TO APPROVE THEIR REMUNERATION.

(3) FIXING NUMBER OF DIRECTORS

Directors of the Corporation are elected annually by the Shareholders and will hold office until the next annual general meeting of shareholders or until their successors are duly elected or appointed or they otherwise cease to hold office. The Articles of the Corporation require a minimum of three directors and a maximum of eleven directors. The Board of Directors currently consists of five directors and it is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at six. At the Meeting, the Shareholders will be asked to consider and, if though fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting, at six. **It is the intention of the**

management designees, if named as proxy, to vote FOR the resolution setting the number of directors at six, unless the Shareholder has specified in its proxy that its Common Shares are to be voted against setting the number of directors at six..

(4) ELECTION OF DIRECTORS

It is intended that the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of electing as directors the nominees named below. **Unless such authority is withheld, the Common Shares represented by the accompanying form of proxy will be voted in favour of the nominees set out below.**

The term of office of all present directors of the Corporation expires at the Meeting. Management has been informed by each nominee that he is willing to stand for election or re-election, as applicable, and serve as a director.

The Board has adopted a policy that entitles each Shareholder to vote for each nominee on an individual basis. Each director should be elected by the vote of a majority of the Common Shares represented in person or by proxy at the Meeting that are voted in respect of that nominee. If any nominee for election as a director receives, from the Common Shares voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his election, the nominee will be expected to promptly offer his resignation to the Chairman of the Board following the Meeting, to take effect upon acceptance by the Board.

In such circumstances, the Board will expeditiously consider such director's offer to resign. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of such director's resignation and announce that decision by way of news release. Any director who offers his resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

The process only applies in circumstances involving an "uncontested" election of directors – where the number of nominees does not exceed the number of directors to be elected and where no proxy materials are circulated in support of one or more nominees who are not a part of the slate supported by the Board for election at the Meeting. Subject to the applicable corporate law, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or call a special meeting of Shareholders to elect a new nominee to fill the vacant position.

The following table sets out the names of management's nominees for election as directors of the Corporation, each nominee's municipality of residence, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular. The following information relating to the nominees as directors is based on information received by the Corporation from said nominees.

Name and Municipality of Residence	Principal Occupation(s) for Last Five Years⁽¹⁾	Position with the Corporation	Director Since	Number of Common Shares Beneficially Owned or Controlled⁽²⁾
Michael B. Churchill <i>Toronto, Ontario, Canada</i>	President of the Corporation (January 2010 – April 2014); Chief Executive Officer of the Corporation (January 2010 – December 2013); Chief Executive Officer of the First Metals Inc. (January 2010 – Present); President of Palisades Capital Ltd. (2005-Present)	Consultant and Director	September 1998	1,830,000
Kevin Cinq-Mars ⁽³⁾ <i>Ottawa, Ontario, Canada</i>	Vice President, R.W Tomlinson Limited (May 2009 to present); Vice President, Waste Management Inc. (December 1996 to January 2009)	Director	January 2010	Nil
Patrick Cronin <i>London, Ontario Canada</i>	Interim CEO of the Corporation (October 2013 – May 2014), Interim President of the Corporation (April 2014 – May 2014), President of Patrick J. Cronin Insurance & Financial Services (1994 to present); President and principal of Interra Management Group Limited (2004 to present).	Director	December 2011	8,000,000
Ronald LeClair ⁽³⁾ <i>Melrose, Ontario, Canada</i>	Partner, Filion Wakely Thorup Angeletti LLP (September 2001 – present)	Director	January 2014	2,000,000
Vishal Gupta <i>Toronto, Ontario Canada</i>	President & CEO of the Corporation (November 2014 to present), Chief Operating Officer of the Corporation (May 2014 to November 2014), Director of Corporate Development of the Corporation (May 2013 to May 2014), President of Windmark Financial Ltd. (April 2013 to present)	President, Chief Executive Officer and Proposed Director	Nominee	200,000
Alan J. Stephens ⁽³⁾ <i>West Sussex, United Kingdom</i>	President and Chief Executive Officer of Coro Mining Corp. (January 2005 – Present)	Director	January 2014	Nil

Notes:

- (1) The information as to principal occupation, business or employment of the respective nominees is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Corporation.
- (3) Current member of the Audit Committee.

Cease Trade Orders, Sanctions and Bankruptcies

As of the date hereof, other than as set out below, no director to be nominated for election at the Meeting:

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

For the purposes of the above section, the term "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Mr. Churchill became a director of First Metals Inc. in October of 2009. On May 10, 2011 the securities of First Metals Inc. became the subject of a cease trade order due to the failure of First Metals Inc. to make timely filing of its financial statements and management's discussion and analysis for the period ended December 31, 2010. As of the date of this Information Circular, the cease trade order remains in effect.

In addition, as of the date hereof, other than as set out below, no director to be nominated for election at the Meeting has been subject to:

- (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and, if required by applicable law, will abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

(5) CONTINUANCE

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the Continuance Resolution to approve the Continuance. In order to be effective, the Continuance Resolution requires the approval of not less than 66 2/3% of the votes cast by the Shareholders represented at the Meeting in person or by proxy. Even if the Continuance Resolution is approved, the Board of Directors retains the power to revoke it at all times without any further approval by the Shareholders. The Board of Directors will only exercise such power in the event that it is, in its opinion, in the best interest of the Corporation.

General

The Board has recommended the Continuance of the Corporation into Ontario in order to streamline corporate governance matters of the Corporation, whose principal office is located in Ontario and whose shareholders mostly reside in Ontario. Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Continuance Resolution authorizing the Board, in its sole discretion, to file the Continuance Application with the Director as required in connection with the Continuance and Articles of Continuance of the Corporation which comply with the provisions of the OBCA. The Continuance will affect certain of the rights of Shareholders as they currently exist under the ABCA and Shareholders should consult their legal advisors regarding the implications of the Continuance which may be of particular importance to them.

In order to effect the Continuance, the following steps must be taken:

- (a) The Alberta Registrar must approve the proposed continuance under the OBCA, upon being satisfied that the Continuance will not adversely affect creditors or Shareholders;
- (b) The Shareholders must approve the Continuance by special resolution at the Meeting, authorizing the Corporation to, among other things, file the Continuance Application with the Director;
- (c) The Corporation must apply to the Director for a Certificate of Continuance; and
- (d) The Corporation must file a notice of continuance with the Alberta Registrar, who will then issue a certificate of discontinuance.

On the date shown on the Certificate of Continuance, the Corporation becomes a corporation under the laws of Ontario as if it had been incorporated under the OBCA.

Certain Corporate Differences Between the OBCA and the ABCA

In general terms, the OBCA provides to shareholders substantively the same rights as are available to shareholders under the ABCA, including the right of dissent and appraisal and the right to bring derivative actions and oppression actions.

The following is a summary comparison of certain provisions of the ABCA and the OBCA that pertain to the rights of shareholders. In approving the Continuation Resolution, Shareholders will be approving the adoption of the Continuation Application and all matters collateral thereto, including Articles of Continuation and the Certificate of Continuation and will be agreeing to hold securities in a corporation governed by the OBCA. **This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the Continuation.**

Charter Documents

Under the OBCA, a company's constituting documents consist of "articles of incorporation" which set forth the name of the company, and the amount and type of shares the company is authorized to issue, and "by-laws" which regulate the business and affairs of the company. The articles are filed with the Director of Corporations under the OBCA and the by-laws are maintained with the company's registered and records office. Under the ABCA, the company has "articles" which set forth the name of the company and the amount and type of authorized capital and "by-laws" which govern the management of the company. The articles are filed with the Alberta Registrar and the by-laws are maintained with the company's registered and records office.

If Shareholders approve the Continuation Resolution, the Corporation will continue to have authorized capital consisting of an unlimited number of Common Shares without nominal or par value. Also, if Shareholders approve the Continuation Resolution, the by-laws must conform to the requirements of the OBCA.

If Shareholders approve the Continuation, the by-laws must conform to the requirements of the OBCA. The full text of the new by-law is set out in **Schedule A** herein, which is in accordance with the provisions of the OBCA and will govern the management of the Corporation.

Amendment to Constituting Documents

Under the OBCA, a company may amend its articles by special resolution which requires approval by not less than two-thirds of the votes cast by shareholders entitled to vote thereon. Fundamental changes to a company's articles, such as an alteration of the restrictions, if any, on the business carried on by the company, a change in the name of the company or an increase or reduction of the authorized capital of the company, requires approval by special resolution. Other fundamental changes such as an alteration of the special rights and restrictions attached to issued shares or an amalgamation or continuation of a company out of the jurisdiction also requires approval by special resolution of the holders of shares of each class entitled to vote thereon. The ABCA has substantially the same requirements.

Sale of the Corporation's Undertaking

Under the OBCA, a sale, lease, or exchange of all or substantially all the property of a company other than in the ordinary course of business of the company requires the approval of not less than two-thirds the shareholders entitled to vote thereon. A notice of a meeting of shareholders shall be sent to each shareholder entitled to vote at the meeting and shall include a copy or summary of the agreement of the sale, lease or exchange, and state that a dissenting shareholder is entitled to be paid the fair value of their shares, although failure to make this statement does not invalidate the sale, lease, or exchange. Each share of the company carries the right to vote whether or not it otherwise carries the right to vote, and where a

class or series is affected by the sale, lease or exchange in a manner different from another class or series, the holders of shares of that class or series are entitled to vote separately as a class or series. The ABCA has substantially the same requirements.

Rights of Dissent and Appraisal

In accordance with Section 185 of the OBCA, shareholders of any class of shares have the right to dissent to certain actions being taken by a company and to be paid the fair value of the shares in respect of which the shareholder dissents. The dissent right is applicable where the company proposes to:

- (a) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares or a class or series of the shares of the company;
- (b) amend its articles to add, remove or change any restriction upon the business or businesses that the company may carry on or upon the powers that the company may exercise;
- (c) amalgamate other than pursuant to a short-form amalgamation;
- (d) continue under the laws of another jurisdiction;
- (e) sell, lease or exchange all or substantially all of its property; or
- (f) in certain circumstances, amend its articles to vary the rights of shareholders of a class or series pursuant to Section 170 of the OBCA.

In accordance with Section 191 of the ABCA, shareholders of any class of shares have the right to dissent to certain actions being taken by a company and to be paid the fair value of the shares in respect of which the shareholder dissents. The dissent right is applicable where the company proposes to:

- (a) amend its articles to add, remove or change any provisions restricting or constraining the issue or transfer of shares;
- (b) amend its articles to add, change or remove any restriction on the business or businesses that the company may carry on;
- (c) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders;
- (d) amalgamate other than pursuant to a short form amalgamation;
- (e) continue under the laws of another jurisdiction;
- (f) sell, lease or exchange all or substantially all of its property; or
- (g) in certain circumstances, amend its articles to vary the rights of holders of shares of a class or series pursuant to Section 176 of the ABCA.

A summary of the procedure for exercising the right to dissent pursuant to the ABCA is described in further detail under the heading "*Continuance – ABCA Rights of Dissent in Respect of the Continuance Resolution*". The description of the right of dissent is not a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of such shareholder's shares and is qualified in its entirety by the reference to the full text of Section 191 of the ABCA.

Although the procedure for dissenting under the OBCA is not the same as the ABCA, the shareholders have a similar right to dissent. Each shareholder is entitled to dissent and to be paid the fair value of such shareholder's shares if the shareholder objects to the matter and the matter becomes effective. A shareholder may dissent only with respect to all of the shares held by the shareholder on behalf of any one beneficial owner and registered in the dissenting shareholder's name. In order to dissent, a shareholder must send to the company, on or before the date of the shareholder meeting, a dissent notice to the matter in respect of which the shareholder proposes to dissent.

A vote against the matter or an abstention in respect thereof does not constitute such a dissent notice, but a shareholder who delivers a dissent notice need not attend the shareholder meeting and vote his shares against the matter in order to dissent in respect of the matter. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the matter does not constitute a dissent notice but any such proxy granted by a shareholder who intends to dissent should be validly revoked. Within 10 days following the date of the meeting, the company must deliver to each shareholder who has filed a dissent notice in respect of the resolution passed at the applicable meeting (except a shareholder who voted for the matter or has withdrawn his dissent notice) at the address specified for such purpose in the dissent notice, a notice stating that the resolution authorizing the matter has been adopted.

Oppression Remedies

Under Section 248 of the OBCA, a shareholder, former shareholder, director, former director, officer, or former officer of a company or any of its affiliates, any other person who, in the discretion of the Court, is a proper person to seek an oppression remedy, or in the case of an offering corporation, the Ontario Securities Commission, may apply to Court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of the company or its affiliates effects a result, the business or affairs of the company or any of its affiliates are carried on or conducted in a manner or the powers of the directors of the company or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any securityholder, creditor, director or officer. The ABCA is substantially similar.

Derivative Actions

Under the OBCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the Court, is a proper person to seek leave to bring a derivative action, may apply to the Court for an order to grant such leave if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action and it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued. The complainant must give 14 days' notice to the directors of the corporation or its subsidiary of its intention to apply to the court for leave to pursue a derivative action and must be acting in good faith, provided that a complainant is not required to give such notice if all the directors of the corporation or its subsidiary are defendants in the action. The ABCA is substantially similar.

Requisition of Meetings

The OBCA provides that one or more shareholders of a company holding at least 5% of the issued voting shares of the company may give notice to the directors of the company requiring them to call and hold a meeting of shareholders. The requisition shall state the business to be transacted at the meeting and shall be sent to each director and to the registered office of the company. On receiving the requisition, the directors shall call a meeting of shareholders to transact the business stated in the requisition, unless a record date has been fixed and notice has been given thereof, or the directors have called a meeting of shareholders and given notice thereof, or the business of the meeting as stated in the requisition include certain matters exempted by the OBCA. If the directors do not, within 21 days after receiving the

requisition, call a meeting, any registered holder or beneficial owner of shares who signed the requisition may call the meeting of shareholders of the company. The ABCA has substantially the same requirements.

Place of Meeting

Under the OBCA, subject to the articles of incorporation and any unanimous shareholder agreement of the company, shareholder meetings for the company can be held in or outside Ontario as the directors of the company determine.

Under the ABCA, shareholders meetings of the company must be held at the place within the Province of Alberta provided in the by-laws or, in the absence of such provision, at the place within the Province of Alberta that the directors of the company determine. However, if all the shareholders entitled to vote at that meeting so agree, or if the articles of the company so provide, meetings of shareholders may be held outside of the Province of Alberta. The existing articles of the Corporation permit the Corporation to hold meetings of Shareholders in or outside of the Province of Alberta as the Board determines.

Form of Proxy and Information Circular for Reporting Issuers

Reporting issuers must comply with OBCA requirements and requirements of securities legislation. Under the OBCA, a company, concurrently with giving notice of a meeting of shareholders, must send a form of proxy and information circular to each shareholder who is entitled to receive notice of the meeting.

Under the ABCA, the requirement for reporting issuers to provide a notice of a general meeting, a form of proxy and an information circular containing prescribed information regarding the matters to be dealt with at, and the conduct of the shareholder meeting, is now governed by securities legislation and is not governed by the ABCA.

Board Composition

The OBCA provides that an offering company shall have a minimum of three directors, at least 1/3 of whom are independent of the company or its affiliates. In addition, under the OBCA, subject to certain exceptions, at least 25% of the directors of a company must be resident Canadians, provided that if a company has less than four directors at least one director must be a resident Canadian.

The ABCA provides that a distributing company whose shares are held by more than one person, shall have a minimum of three directors, at least two of whom are independent of the company or its affiliates. Under the ABCA, at least 25% of the directors must be resident Canadians.

Indemnification

The OBCA allows a company to indemnify a director or former director or officer or former officer of the company or another individual who acts or acted at the company's request as a director or officer, or an individual acting in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the individual in respect of any civil, criminal or administrative investigation or other proceeding in which the individual is involved because of that association with the company or other entity, provided he acted honestly and in good faith with a view to the best interests of the company. The ABCA also provides similar rights to a director.

ABCA Rights of Dissent in Respect of the Continuance Resolution

Registered Shareholders may, subject to compliance with certain conditions, dissent from the Continuance Resolution and be entitled to be paid the fair value for their Common Shares in accordance with Section 191 of the ABCA. The full text of section 191 of the ABCA is set out in **Schedule B** to this Information Circular.

If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read this Information Circular and the provisions of Section 191 of the ABCA. Under the ABCA, a Shareholder is entitled, in addition to any other right he, she or it may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by him, her or it in respect of which he, she or it dissents, determined as of the close of business on the last Business Day before the day which the Continuance Resolution from which he, she or it dissents is adopted.

A Shareholder may dissent only with respect to all of the Common Shares held by him, her or it or on behalf of any one beneficial owner and registered in his, her or its name. **Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent, should be aware that only the registered owner of such Common Shares is entitled to dissent.** Accordingly, a Non-Registered Shareholder will not be entitled to exercise the Dissent Rights directly unless the Common Shares are re-registered in the Non-Registered Shareholder's name. A Non-Registered Shareholder who wishes to exercise the Dissent Rights should contact the Intermediary with whom the Non-Registered Shareholder deals in respect of its Common Shares and either: (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Shareholder's behalf (which, if the Common Shares are registered in the name of CDS or other clearing agency, would require that the Common Shares first be re-registered in the name of the Intermediary); or (ii) instruct the Intermediary to re-register the Common Shares in the name of the Non-Registered Shareholder, in which case, the Non-Registered Shareholder would be able to exercise the Dissent Rights directly.

A Dissenting Holder must send to the Corporation a written objection to the Continuance Resolution, which written objection must be received by the Chief Financial Officer of the Corporation, c/o TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or c/o Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, P.O. Box 95, TD Centre, Toronto, Ontario M5K 1G8, Attention: Eric Roblin no later than 5:00 p.m. (Toronto time) on January 20, 2015 (or 5:00 p.m. (Toronto time) on the Business Day immediately preceding any adjourned or postponed Meeting) or by the Chairman of the Meeting at or before the Meeting. A Dissenting Holder wishing to exercise the right to dissent against the Continuance Resolution with respect to such holder's Dissent Shares shall not vote those Dissent Shares at the Meeting, either by the submission of a form of proxy or by personally voting, in favour of the Continuance Resolution.

In addition to any other restrictions under Section 191 of the ABCA, Shareholders who vote or have instructed a proxyholder to vote their Common Shares in favour of the Continuance Resolution shall not be entitled to exercise Dissent Rights in respect of the Continuance.

Under Section 191 of the ABCA, an application may be made to the Alberta Court by the Corporation or by a Dissenting Holder to fix the fair value of the Dissenting Holder's Dissent Shares. If such an application to the Alberta Court is made by either the Corporation or a Dissenting Holder, the Corporation must, unless the Alberta Court otherwise orders, send to each Dissenting Holder a written offer to pay him, her or it an amount considered by the Board to be the fair value of the Dissent Shares. The offer, unless the Alberta Court otherwise orders, will be sent to each Dissenting Holder at least 10 days before the date on which the application is returnable, if the Corporation is the applicant, or within 10 days after the Corporation is served with notice of the application, if a Dissenting Holder is the applicant. The offer

will be made on the same terms to each Dissenting Holder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Holder may make an agreement with the Corporation for the purchase of his, her or its Common Shares by the Corporation in the amount of the Corporation's offer (or otherwise) at any time before the Alberta Court pronounces an order fixing the fair value of the Common Shares.

Upon the occurrence of the earliest of: (i) the Continuance becoming effective; (ii) the making of an agreement between the Corporation and the Dissenting Holder as to the payment to be made by the Corporation to the Dissenting Holder; or (iii) a pronouncement of the Alberta Court fixing the fair value of the Dissenting Holder's Dissent Shares, the Dissenting Holder will cease to have any rights as a Shareholder other than the right to be paid the fair value of his, her or its Dissent Shares in the amount agreed to between the Corporation and the Dissenting Holder, or in the amount fixed by the Alberta Court, as the case may be. Until one of these events occurs, the Dissenting Holder may withdraw his dissent, or the Corporation may rescind the Continuance Resolution, and in either event the dissent and appraisal proceedings in respect of that Dissenting Holder will be discontinued.

A Dissenting Holder is not required to give security for costs in respect of an application to the Alberta Court and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Alberta Court will make an order fixing the fair value of the Dissent Shares of all Dissenting Holders who are parties to the application, giving judgment in that amount against the Corporation and in favour of each of those Dissenting Holders, and fixing the time within which the Corporation must pay that amount payable to the Dissenting Holders. The court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Holder calculated from the date on which the Dissenting Holder ceases to have any rights as a Shareholder until the date of payment.

The Corporation shall not make a payment to a Dissenting Holder under Section 191 of the ABCA if there are reasonable grounds for believing that the Corporation is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of the Corporation would thereby be less than the aggregate of its liabilities. In such event, the Corporation shall notify each Dissenting Holder that it is unable lawfully to pay Dissenting Holders for their Common Shares, in which case the Dissenting Holder may, by written notice to the Corporation within 30 days after receipt of such notice, withdraw his, her or its dissent notice, in which case such Dissenting Holder shall be reinstated to his, her or its full rights as a Shareholder, failing which he, she or it retains a status as a claimant against the Corporation to be paid as soon as the Company is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to Shareholders.

The foregoing description of the right of dissent is not a comprehensive statement of the procedures to be followed by a Dissenting Holder in respect of the Continuance Resolution who seeks payment of the fair value of such Dissenting Holder's Dissent Shares and is qualified in its entirety by the reference to the full text of Section 191 of the ABCA. A Shareholder who intends to exercise the right of dissent and appraisal in respect of the Continuance Resolution should carefully consider and comply with the provisions of that section. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

Resolution

The following is the text of the Continuance Resolution which will be put forward at the Meeting:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. California Gold Mining Inc. (the "Corporation") is hereby authorized to apply (i) under Section 189(1) of the Business Corporations Act (Alberta) (the "ABCA") to the Registrar under the ABCA for authorization to continue into another jurisdiction and (ii) under Section 180 of the Business Corporations Act (Ontario) (the "OBCA") to the Director under the OBCA for a certificate of continuance (the "Certificate of Continuance") by filing Articles of Continuance and supporting documents and to continue as a corporation under the OBCA (the "Continuance") as more particularly described and set forth in the Management Information Circular of the Corporation dated December 16, 2014, accompanying the notice of this meeting (the "Circular").
2. Subject to the issuance of the Certificate of Continuance and without affecting the validity and existence of the Corporation or of any act by or under its articles, as amended, the Corporation shall adopt articles of continuance (the "Articles of Continuance") and such Articles of Continuance be and are hereby approved.
3. Subject to the issuance of the Certificate of Continuance and without affecting the validity of the Corporation and the existence of the Corporation by or under its charter documents and of any act done thereunder, the Corporation hereby approves and adopts in substitution of the existing by-law of the Corporation, By-Law Number 1, being a by-law complying with the laws of the Province of Ontario and relating to the affairs of the Corporation, such by-law to be substantially in the form included in the Circular.
4. The board of directors of the Corporation is hereby authorized to abandon, revoke or terminate the application for the Continuance at any time without further approval of the shareholders of the Corporation.
5. Any officer or director of the Corporation is authorized and directed for and on behalf of the Corporation to execute and deliver Articles of Continuance and all other documents as are necessary or desirable to the Director under the OBCA in order to effect the Continuance and to deliver notice of the Continuance and all other documents as are necessary or desirable to the Registrar under the ABCA to obtain a certificate of discontinuance under the ABCA.
6. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing. "

THE CORPORATION'S MANAGEMENT DESIGNEES, IF NAMED AS PROXY, INTEND TO VOTE FOR THE CONTINUANCE RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN ITS PROXY THAT ITS COMMON SHARES ARE TO BE VOTED AGAINST THE CONTINUANCE RESOLUTION.

THE CURRENT BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE SPECIAL RESOLUTION, THE FULL TEXT OF WHICH IS SET FORTH ABOVE, APPROVING THE CONTINUANCE.

(6) OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying the Information

Circular. However, if any other matter properly comes before the Meeting, the instruments of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

PART III INFORMATION CONCERNING THE CORPORATION

STATEMENT OF EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Information Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and each of the three most highly compensated executive officers whose total compensation exceeds \$150,000. Based on those requirements, the executive officers of the Corporation for whom disclosure is required under Form 51-102F6 are Mr. Martin Shefsky (former Chief Executive Officer of the Corporation), Mr. Michael Churchill (former President of the Corporation), Mr. Patrick Cronin (former Interim Chief Executive Officer and former Interim President), Mr. Chad Williams (Interim President and Chief Executive Officer) and Mr. Behn Conroy (Chief Financial Officer), and are collectively referred to as the "**Named Executive Officers**".

COMPENSATION DISCUSSION AND ANALYSIS

The compensation philosophy of the Corporation is to provide market competitive pay to employees and consultants and reward them for their contribution to the operating and financial performance of the Corporation and the success in implementing the Corporation's short-term and long-term strategies. The objectives of the compensation program are: (i) to attract and retain individuals critical to the success of the Corporation; (ii) to reward performance of individuals by recognizing their contribution to the Corporation; (iii) to align the interests of the Named Executive Officers and the broader management group, with shareholders' interest and the execution of the Corporation's strategic plan; and (iv) to compensate individuals based on their performance and, to the extent applicable, on similar compensation for companies at a comparable stage of development.

Base salaries, including that of the Chief Executive Officer, are evaluated annually and established with a view to the competitive levels for mining companies of comparable size and circumstances, dependent upon experience in the position and performance.

Stock options are granted, if and when determined appropriate by management in consultation with the Board of Directors, to participants under the Stock Option Plan. The magnitude of a given stock option grant depends generally upon the participant's role with the Corporation, the number of options previously granted and individual performance. Guidelines for stock option allocations are determined periodically by the Corporation's senior management team in consultation with the Board.

In fiscal 2014, the Board granted 1,150,000 options, all of which remained outstanding as of August 31, 2014 and of which 787,500 had vested as of August 31, 2014. None of the foregoing options were issued to Named Executive Officers nor to members of the Board. The Board determines the expiration date of each stock option, the extent to which each stock option is exercisable from time to time during its term and any other applicable terms and conditions, in compliance with the requirements of the TSXV and the terms of the Stock Option Plan itself.

TOTAL COMPENSATION

Total compensation for Named Executive Officers is based on the following components: (i) fixed compensation, which is comprised of base salary; (ii) performance based compensation, which includes annual and long-term incentives; and (iii) other compensation.

Fixed Compensation

Fixed Compensation consists of base salaries or consulting fees, which are determined through formal job evaluation, salary survey data and market comparators. Salary and fee ranges are reviewed annually. Base salaries and consulting fees for all employees and consultants are typically increased on an annual basis by a cost of living factor specific to the country in which they are paid, such factors being sourced from publicly available salary survey data.

Performance Based Compensation

1. Annual Incentives

The annual incentive for a Named Executive Officer is calculated by multiplying base salary by a target incentive percentage that is determined at the discretion of the independent members of the Board. Each Named Executive Officer's annual incentive is approved by the independent directors and is dependent upon corporate and individual performance, measured against the strategic plan approved by the Board.

2. Long-Term Incentives

The Stock Option Plan was adopted to provide the Corporation with a share ownership incentive program to attract, retain and motivate qualified directors, officers, and full-time employees of the Corporation (collectively, "**Service Providers**"), to reward those Service Providers for their contributions toward the long term goals of the Corporation and enable and encourage such Service Providers to acquire Common Shares as long term investments.

The Stock Option Plan is administered by the Board. Subject to the provisions of the Stock Option Plan, the Board is authorized in its sole discretion to make decisions regarding the administration of the Stock Option Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

The Corporation's Stock Option Plan and certain stock option grants thereunder were approved by shareholders on April 4, 2013. The Stock Option Plan has been established to provide incentives to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Stock Option Plan is administered by the Board.

As noted above, the Stock Option Plan provides that options may be issued to such Service Providers ("**Eligible Participants**") as the Board shall from time to time determine, in its sole discretion, or the personal holding corporation wholly-owned by any such Service Provider, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such individual Eligible Participant, or the registered retirement savings plan established for the sole benefit of any such Service Provider. The Stock Option Plan also provides that the number of Common Shares issuable under the Stock Option Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 25,615,000. Options granted pursuant to the Stock Option Plan vest at such times as may be determined by the Board. All Options expire on a date not later than five years after the date of grant of such options.

The following is a summary of certain of the material terms of the Stock Option Plan:

- The number of Common Shares reserved for issuance under the Stock Option Plan is 25,615,000.
- The Stock Option Plan provides that stock options can be issued to directors, officers and full-time employees of the Corporation, its subsidiaries and affiliates, as well as any other person or

company engaged to provide ongoing management or consulting services to the Corporation or to its subsidiaries and affiliates.

- The Stock Option Plan provides that it is solely within the discretion of the Board to determine who should receive options and in what amounts, subject to the limitations set forth below.
- The term for exercise of stock options is a maximum of ten years from the date of grant provided that in the event of the optionee's death, the exercise period shall not exceed the lesser of one year from the date of the optionee's death and the expiry date of the stock option. Stock options may only be exercised until the earlier of the expiry date and a period of not more than 90 days after the optionee ceases to be a qualified optionee, except in the case of persons providing investor relations activities to the Corporation where it is limited to the earlier of the expiry date and a period of not more than 30 days after such optionee ceases to be a qualified optionee. Stock options will immediately terminate where a holder is terminated by reason of a wilful and substantial breach of such optionee's employment or service.
- The options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death.
- Options granted under the terms of the Stock Option Plan will be exercisable at a price which is not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to \$0.50, a discount of 20% for a closing price of \$0.51 to \$2.00, and a discount of 15% for a closing price above \$2.00, subject to a minimum of \$0.10 and to certain exemptions permitted by TSXV policies). All stock options granted at a discounted market price will be subject to a four month hold period. If stock options are granted at Market Price, there will be no hold period, other than as may be provided by securities laws.
- Options granted to a person who is engaged in investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any 3 month period and, under the Stock Option Plan, the aggregate number of options granted to Persons providing investor relations activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date the option was granted.
- The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to all options granted to any one optionee shall not exceed 5% of the number of Common Shares outstanding on a non-diluted basis at the time of such grant. In addition: (i) the number of securities issued to any one individual pursuant to the Plan, within any 12 month period, shall not exceed 5% of the aggregate number of Common Shares that are outstanding immediately prior to the share issuance in question; (ii) the number of securities issuable to any one consultant pursuant to the Stock Option Plan in a 12 month period shall not exceed 2% of the Outstanding Issue; and (iii) the aggregate number of securities granted to persons employed to provide investor relations services shall not exceed 2% of the Outstanding Issue in any 12 month period.

The following table sets out equity compensation plan information as at the date of this Information Circular:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in left column)
Equity compensation plans approved by securityholders – Stock Option Plan	16,792,342	\$0.1865	7,622,658

MANAGEMENT CONTRACTS

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the Directors or Executive Officers of the Corporation.

EXECUTIVE COMPENSATION

The following table provides a summary of total compensation earned during the twelve months ended August 31, 2014, the twelve months ended August 31, 2013 and the twelve months ended August 31, 2012 respectively, by each of the Named Executive Officers.

SUMMARY COMPENSATION TABLE									
Name and Principal Position of Named Executive Officer	Period Ended August 31,	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation		Pension Plan Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Martin R. Shefsky former CEO ⁽²⁾	2014	\$9,415	Nil	Nil	Nil	Nil	Nil	\$90,000	\$99,415
	2013	\$74,803	Nil	\$350,998	Nil	Nil	Nil	\$329	\$426,130
Michael B. Churchill former President ⁽³⁾	2014	\$105,723	Nil	Nil	Nil	Nil	Nil	\$68,970	\$174,693
	2013	\$131,481	Nil	\$300,855	\$150,000	Nil	Nil	\$1,600	\$583,936
	2012	\$90,000	Nil	Nil	Nil	Nil	Nil	\$2,400	\$92,400
Patrick Cronin former Interim CEO, former Interim President & CEO ⁽⁴⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chad Williams Interim President & CEO ⁽⁵⁾	2014	\$26,250	Nil	Nil	Nil	Nil	Nil	Nil	\$26,250
Behn Conroy, CFO ⁽⁶⁾	2014	\$60,000	Nil	Nil	Nil	Nil	Nil	Nil	\$60,000
	2013	\$57,000	Nil	\$19,320	Nil	Nil	Nil	Nil	\$76,320
	2012	\$44,000 ⁽⁷⁾	Nil	\$16,110	Nil	Nil	Nil	Nil	\$60,110

Notes:

- (1) The value of option based awards is based on the grant date fair value of the award. Please see Notes 8, 8 and 11(f) to the audited annual financial statements of the Corporation for the years ended August 31, 2013, 2012 and 2011 respectively for details regarding the assumptions underlying these Black-Scholes estimates. The Black-Scholes model is a pricing model which may or may not reflect the actual value of the options. The options have not been and may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Mr. Shefsky replaced Mr. Churchill as Chief Executive Officer of the Corporation as of December 21, 2012. Patrick Cronin replaced Mr. Shefsky as Interim CEO on October 7, 2013. Mr. Shefsky continued as a director of the Corporation until January 30, 2014. Mr. Shefsky was not employed by the Corporation and provided services through his wholly-owned holding company. All figures shown above reflect all compensation paid to both Mr. Shefsky and/or his holding company.
- (3) Mr. Churchill resigned as CEO as of December 21, 2012 and was replaced by Mr. Shefsky. Mr. Churchill retained the office of President. On April 7, 2014, Mr. Churchill ceased as the President of the Corporation but remained as a consultant and director. Mr.

- Churchill is not employed by the Corporation and provides services through his wholly-owned holding company. All figures shown above reflect all compensation paid to both Mr. Churchill and/or his holding company.
- (4) Mr. Cronin replaced Mr. Shefsky as Interim CEO on October 7, 2013. On April 7, 2014, Mr. Cronin succeeded Mr. Churchill as President and assumed the role of Interim President and CEO of the Corporation. On May 12, 2014, Mr. Cronin resigned as Interim President and CEO and was succeeded by Mr. Williams. Mr. Cronin remained as a director of the Corporation.
 - (5) Mr. Williams was appointed as Interim President and CEO effective as of May 12, 2014 and resigned effective as of November 12, 2014. Mr. Vishal Gupta succeeded Mr. Williams as President and CEO on November 12, 2014.
 - (6) Mr. Conroy is not employed by the Corporation and provides his services to the Corporation through his wholly-owned holding company.
 - (7) Of this amount, \$9,600 was satisfied through the issuance of 157,143 Common Shares.

INCENTIVE BASED AWARDS

The following table provides a summary of outstanding incentive based awards as of August 31, 2014 for each of the Named Executive Officers.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS							
Option-based Awards					Share-based Awards		
Name and Principal Position of Named Executive Officer	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 (\$)
Martin R. Shefsky former CEO ⁽²⁾	Nil	n/a	n/a	Nil	Nil	Nil	Nil
Michael B. Churchill former President	2,500,000 3,842,342	0.24 0.15	Jan. 28, 2015 Jan. 9, 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Patrick Cronin former Interim CEO former Interim President & CEO	200,000 1,200,000	0.20 0.20	Apr. 18, 2017 Apr. 22, 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Chad Williams Interim President & CEO	Nil	n/a	n/a	Nil	Nil	Nil	Nil
Behn Conroy, CFO	200,000 300,000	0.20 0.15	Apr. 18, 2017 Jan. 22, 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Note:

- (1) The closing price of the Common Shares on the TSXV on August 29, 2014 (the last trading day of the fiscal year) was \$0.05.
- (2) Mr. Shefsky ceased as a director of the Corporation on January 30, 2014 and his options expired on April 30, 2014.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING YEAR			
Name and Principal Position of Named Executive Officer	Option-based awards – Value vested during year (\$)	Share-based awards – Value vested during year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Martin R. Shefsky former CEO	Nil	Nil	Nil
Michael B. Churchill former President	Nil	Nil	Nil
Patrick Cronin former Interim CEO former Interim President &CEO	Nil	Nil	Nil
Chad Williams Interim President & CEO	Nil	Nil	Nil
Behn Conroy, CFO	Nil	Nil	Nil

TERMINATION, CHANGE OF CONTROL BENEFITS AND EMPLOYMENT CONTRACTS

As of August 31, 2014, except as described below, there was no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in a Named Executive Officer’s responsibilities.

As part of the contract for Mr. Shefsky’s services, the Corporation was required to give Mr. Shefsky’s holding company at least six months’ notice of termination for termination for convenience. This contract was terminated on October 7, 2013 and the Corporation remitted the necessary payment of \$90,000.

Although Mr. Churchill ceased to serve as the Corporation’s President as of April 7, 2014, his contract for services was not terminated. The term for the contract for Mr. Churchill’s services extends until February 8, 2016. In the event the Corporation wishes to terminate the contract early, the Corporation is required to pay out the balance of the base compensation payable under the contract. In the event that the Corporation undergoes a change of control, and within one year of such date either (a) the Corporation terminates Mr. Churchill’s contract or (b) if Mr. Churchill resigns, then the Corporation must make a payment to Mr. Churchill equal to 24 months’ base compensation.

Mr. Gupta’s contract for services renews annually for one year terms as of December 1 of each year. As part of the contract for Mr. Gupta’s services, the Corporation must give Mr. Gupta’s holding company the lesser of (a) six months’ notice of termination, or (b) notice equal to the amount of time remaining until the next annual renewal.

As part of the contract for Mr. Conroy’s services, the Corporation must give Mr. Conroy’s holding company at least twelve months’ notice of termination, or in the event that a change of control (or other similar event) has occurred within the preceding thirty-six months, then the notice period shall be the greater of (a) twelve months or (b) thirty-six months less the number of months elapsed since the change of control (or other similar event). In the event that the Corporation undergoes a change of control (or similar event) and Mr. Conroy elects to resign as Chief Financial Officer within twelve months following such transaction, his holding company would be entitled to a payment equivalent to twelve months’ compensation.

COMPENSATION OF DIRECTORS

For the year ended August 31, 2014, none of the Corporation or any of its subsidiaries provided any direct or indirect compensation to the directors of the Corporation in their capacity as directors, including the payment of any cash compensation (including salaries, director’s fees, commissions, out-of-pocket expenses, gifts, perquisites, bonuses paid for services rendered or bonuses paid for services rendered in a previous year) other than the granting of any option-based or share-based awards. The relevant disclosure for Messrs. Churchill and Cronin is provided in the Summary Compensation Table for Named Executive Officers above (see the section of this Information Circular entitled “Information Concerning the Corporation – Executive Compensation”).

DIRECTOR COMPENSATION FOR FISCAL YEAR ENDED AUGUST 31, 2014

The following table provides a summary of all amounts of compensation provided to the directors of the Corporation, other than Messrs. Shefsky, Churchill and Cronin, during the year ended August 31, 2014.

DIRECTOR COMPENSATION TABLE					
Name	Fee Earned (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
David Birkenshaw ⁽²⁾	Nil	Nil	Nil	Nil	Nil
Nuno Brandolini ⁽³⁾	Nil	Nil	Nil	Nil	Nil
Kevin Cinq-Mars	Nil	Nil	Nil	Nil	Nil
Ron LeClair ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil
Alan Stephens ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil

Note:

- (1) The value of option based awards is based on the grant date fair value of the award. Please see Note 8 to the audited annual financial statements of the Corporation for the year ended August 31, 2013 for details regarding the assumptions underlying these Black-Scholes estimates. The Black-Scholes model is a pricing model which may or may not reflect the actual value of the options. The options have not been and may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Mr. Birkenshaw was elected as a director on January 30, 2014 and resigned during September 2014.
- (3) Mr. Brandolini ceased as a director on January 30, 2014.
- (4) Mr. LeClair was elected as a director on January 30, 2014.
- (5) Mr. Stephens was elected as a director on January 30, 2014.

The following table provides a summary of outstanding incentive based awards as of August 31, 2014 for each of the Corporation’s directors during the twelve months ended August 31, 2014 other than Messrs. Shefsky, Churchill and Cronin.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS							
Option-based Awards					Share-based Awards		
Name of Director	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 (\$)
David Birkenshaw	Nil	n/a	n/a	Nil	Nil	Nil	Nil
Nuno Brandolini ⁽²⁾	Nil	n/a	n/a	Nil	Nil	Nil	Nil
Kevin Cinq-Mars	200,000 1,200,000	0.24 0.20	Jan. 28, 2015 Apr. 22, 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Ron LeClair	Nil	n/a	n/a	Nil	Nil	Nil	Nil
Alan Stephens	Nil	n/a	n/a	Nil	Nil	Nil	Nil

Note:

- (1) The closing price of the Common Shares on the TSXV on August 29, 2014 was \$0.05.
 (2) Mr. Brandolini ceased as a director on January 30, 2014 and his options expired on April 30, 2014.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING YEAR			
Name of Director	Option-based awards – Value vested during year (\$)	Share-based awards – Value vested during year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David Birkenshaw	Nil	Nil	Nil
Nuno Brandolini	Nil	Nil	Nil
Kevin Cinq-Mars	Nil	Nil	Nil
Ron LeClair	Nil	Nil	Nil
Alan Stephens	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Board is not aware of any indebtedness owed or owing by a director, executive officer, a nominee director or an associate or affiliate thereof as at the date of this Information Circular or at any time during the fiscal year ended August 31, 2014, and no indebtedness of such individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

BOARD OF DIRECTORS

The Board of Directors is responsible for supervising the management of the business and affairs of the Corporation and is currently comprised of five directors three of whom are independent. The independent directors are Kevin Cinq-Mars, Ron LeClair and Alan Stephens. The former President of the Corporation, Michael B. Churchill and the former Interim President and CEO, Patrick Cronin, are not independent by virtue of being members of the Corporation’s management within the previous three years. If the proposed slate of directors set forth in this Information Circular is elected then all directors besides Michael Churchill, Patrick Cronin and Vishal Gupta will be independent.

The Board facilitates its exercise of independent supervision over management by having at least half of the Board members consist of individuals who are independent of the Corporation, as such term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

OTHER BOARD POSITIONS

Certain of the Corporation’s current and proposed directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Name of Other Reporting Issuer	Name of Trading Market	Position held with Other Reporting Issuer
Michael B. Churchill	St Andrew Goldfields Ltd.	TSX	Director
	First Metals Inc.	NEX	President and CEO and Director
Alan J. Stephens	Coro Mining Corp.	TSX	CEO and Director
	Weatherly International PLC	AIM	Director

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Board does not have a formal orientation policy. New directors, when elected or appointed, are and will be provided with access to information, including sufficient historical data, to become familiar with the Corporation and its operations and to familiarize themselves with the procedures of the Board.

The skills and knowledge of the Board of Directors, as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds and have years of collective experience in managing and maintaining operations of companies in various sectors. Board members are encouraged to take courses that will continue to update their knowledge of any changes in regulatory and reporting requirements, as well as communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have full access to the Corporation’s records. Reference is made to the table under the heading “*Particulars of Matters to be Acted Upon – Election of Directors*” for a description of the current principal occupations of Board members and proposed nominees.

ETHICAL BUSINESS CONDUCT

The Board expects management to comply with all statutes, regulations and administrative policies applicable to the Corporation, avoid conflicts of interest between work and personal affairs, declare any direct or indirect interest in a matter or proposed matter with the Corporation and refrain from voting thereon at meetings of the Board, refrain from insider trading, respect the rights of and deal fairly with the Corporation's customers, suppliers, competitors and employees, and not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice. The Board also expects management to avoid any discrimination or harassment against any group or individual, to strive to create a safe workplace and to protect the environment; promote honest and accurate recording and reporting of information in order to make responsible business decisions, maintain the confidentiality of confidential information, protect and preserve the Corporation's assets and ensure their efficient use, and cooperate in internal investigations of misconduct.

The Board has not yet instituted written policies with respect to all of the above nor adopted written codes of conduct for directors, officers and employees.

DIRECTOR NOMINATIONS

The Board determines new nominees to the Board. Given the size of the Corporation and the Board, no formal process has been adopted for this purpose. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and the CEO.

At the Meeting, six members are to be elected to the Board (see "*Particulars of Matters to be Acted Upon – Election of Directors*"). The Board must have a sufficient number of directors to carry out its duties efficiently, presenting a diversity of views and experience. The Board believes that the proposed number will be sufficient given the Corporation's current state of development.

COMPENSATION

The Board of Directors has not established a compensation committee. The independent members of the Board of Directors are responsible for reviewing the compensation of the executive officers of the Corporation as required. The total compensation from all sources, including salary, bonus and stock options is compared to current market rates offered by similar issuers, and is intended to remain competitive in order to attract and retain talented and motivated individuals. See "*Information Concerning the Corporation – Statement of Executive Compensation*".

DIRECTOR ASSESSMENT

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors.

BOARD COMMITTEES

The Corporation presently does not have any committees of the Board except for its Audit Committee.

AUDIT COMMITTEE

A summary of the responsibilities and activities of this committee is set out below.

Audit Committee Charter

The full text of the Audit Committee Charter is set out in **Schedule C** to this Information Circular.

Composition of the Audit Committee

The Audit Committee of the Corporation (the “**Audit Committee**”) is currently composed of the following Directors:

Name	Corporate Position	Independent	Financial Literacy
Kevin Cinq-Mars	Director	Yes	Yes
Ron LeClair	Director	Yes	Yes
Alan Stephens	Director	Yes	Yes

If the Corporation's nominees for election as directors are elected, it is anticipated that the composition of the audit committee will remain unchanged, thereby retaining the independence of all members and financial literacy of all members.

Relevant Education and Experience

Name	Relevant Education and Experience
Kevin Cinq-Mars	Mr. Cinq-Mars has served as Vice President of R.W. Tomlinson Limited, a diversified Heavy Civil Construction firm with interests in quarrying, ready mix concrete, construction, trucking and environmental industries, since May 2009. He previously held a number of senior executive positions with Waste Management Inc. from December 1996 to January 2009 including Vice President Eastern Canada, Vice President Sales & Marketing – Canada, and Vice President Business Development - Canada. Mr. Cinq-Mars is a graduate of the Ivey Business School at the University of Western Ontario.
Ronald LeClair	Mr. LeClair holds both an LL.B. and an LL.M. degree, and has been practicing labour and employment law exclusively on behalf of management since being licensed in February, 2000. His areas of expertise include collective bargaining, labour arbitration, occupational health & safety and human rights.
Alan J. Stephens	Mr. Stephens has a BSc in Mining Geology from the Royal School of Mines, London, and has over 35 years of international mining experience. He has lived and worked extensively in South and North America, Europe and Africa, and is currently President and CEO of Coro Mining Corp, and Independent Director of Weatherly International Plc. Before co-founding Coro, Mr. Stephens was Vice-President of Exploration for First Quantum Minerals Ltd., and International Exploration Manager for Cyprus Amax Minerals. He is a Fellow of the Society of Economic Geologists (US) and of the Institute of Materials, Minerals and Mining (UK). Mr. Stephens is a qualified person for the purposes of NI 43-101.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed fiscal year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110. The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 which exempts TSXV issuers from certain portions of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The approximate aggregate fees paid by the Corporation to the external auditor of the Corporation in each of the last two fiscal years for audit fees are described below.

	Fiscal Aug. 31, 2014	Fiscal Aug. 31, 2013
Audit Fees	\$ 30,000	\$ 27,500
Audit-related Fees ⁽¹⁾	Nil	\$ 1,650
Tax Fees ⁽²⁾	\$ 16,430	\$ 8,250
All Other Fees ⁽³⁾	\$ 2,350	\$ 2,491
Total	\$ 48,780	\$ 39,891

Notes:

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other row.

REGISTRAR AND TRANSFER AGENT

TMX Equity Transfer Services Inc., 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, is the registrar and transfer agent for the Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available from the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Upon written request made to the Corporation, shareholders shall be provided with a copy of the Corporation's Annual MD&A.

BOARD APPROVAL

The Board of Directors has approved delivery of the Information Circular to Shareholders. Where information contained in this Information Circular rests particularly within the knowledge of a person other than the Corporation, the Corporation has relied upon information furnished by such person.

DATED at Toronto, Ontario this 16th day of December, 2014.

BY ORDER OF THE BOARD

"Patrick Cronin"

Patrick Cronin
Chairman of the Board

SCHEDULE "A"
AMENDED AND RESTATED
GENERAL BY-LAW
BY-LAW NO. 1
OF CALIFORNIA GOLD MINING INC.

A by-law relating generally to the conduct of the business and affairs of

CALIFORNIA GOLD MINING INC.

(hereinafter called the "Corporation").

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

INTERPRETATION

1. In the by-laws of the Corporation, unless the context otherwise specifies or requires:
 - 1.1 "Act" means the *Business Corporations Act* (Ontario), as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
 - 1.2 "appoint" includes "elect" and vice versa;
 - 1.3 "articles" means the articles of continuance of the Corporation, as from time to time amended or restated;
 - 1.4 "board" means the board of directors of the Corporation;
 - 1.5 "business day" means a day which is not a non-business day;
 - 1.6 "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
 - 1.7 "meeting of shareholders" includes an annual and a special meeting of shareholders;
 - 1.8 "non-business day" means Saturday, Sunday and any other day that is a holiday as from time to time defined in the *Interpretation Act* (Ontario);
 - 1.9 "Regulations" means the regulations under the Act as published or from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
 - 1.10 "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by virtue of section 1 of this by-law or by a resolution passed pursuant thereto; and

1.11 "special meeting of shareholders" means a meeting of any particular class or classes of shareholders and a meeting of all shareholders entitled to vote at any annual meeting of shareholders at which special business is to be transacted.

Save as aforesaid, all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall, unless the context otherwise specifies or requires, have the meanings given to such terms in the Act or the Regulations. Words importing the singular number include the plural and vice versa; the masculine shall include the feminine; and the word "person" shall include an individual, partnership, association, body corporate, body politic, trustee, executor, administrator and legal representative.

Headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

BANKING AND SECURITIES

1. Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations or any other persons as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the board may from time to time prescribe or authorize.

2. Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver instruments of proxy and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of such voting certificates or evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

EXECUTION OF INSTRUMENTS

1. Authorized Signing Officers

Unless otherwise authorized by the board, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two of the president, chairman of the board, managing director, any vice-president, any director, secretary, treasurer, any assistant secretary or any assistant treasurer or any other officer created by by-law or by the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same, but no instrument is invalid merely because the corporate seal is not affixed thereto.

2. Cheques, Drafts and Notes

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or person or persons, whether or not officers of the Corporation, and in such manner as the board may from time to time designate by resolution.

DIRECTORS

1. Number

The board shall consist of such number of directors as is fixed by the articles, or where the articles specify a variable number, shall consist of such number of directors as is not less than the minimum nor more than the maximum number of directors provided in the articles and as shall be fixed from time to time by resolution of the shareholders.

2. Election and Term

Subject to the articles or a unanimous shareholder agreement, the election of directors shall take place at each annual meeting of shareholders and all of the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall, subject to the articles or a unanimous shareholder agreement, be the number of directors then in office, or the number of directors whose terms of office expire at the meeting, as the case may be, except that, if cumulative voting is not required by the articles and the articles otherwise permit, the shareholders may resolve to elect some other number of directors. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. If the articles provide for cumulative voting, each director elected by shareholders (but not directors elected or appointed by creditors or employees) ceases to hold office at the annual meeting and each shareholder entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by him multiplied by the number of directors he is entitled to vote for, and he may cast all such votes in favour of one candidate or distribute them among the candidates in any manner. If he has voted for more than one candidate without specifying the distribution among such candidate, he shall be deemed to have divided his votes equally among the candidates for whom he voted.

4.02A Nominations of Directors

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:

- (a) by or at the direction of the board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a "proposal" made in accordance with section 99(1) of the Act, or a requisition of the shareholders made in accordance with section 105(1) of the Act; or

- (c) by any person (a "**Nominating Shareholder**") who:
- (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Section 4.02A; and
 - (ii) (A) at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting; or
(B) who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
 - (iii) complies with the notice procedures set forth below in this Section 4.02A.
2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:
- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.
4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such employment is carried on; (iii) the citizenship of such person; (iv) the number of

securities of each class or series of securities in the capital of the Corporation which are owned beneficially or of record by the person or under the control or direction, directly or indirectly, of the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- (b) as to the Nominating Shareholder giving the notice: (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation; (ii) the number of securities of each class or series of securities of the Corporation owned of record and beneficially by, or under the control or direction of, directly or indirectly, such Nominating Shareholder; (iii) full particulars regarding any agreement, arrangement or understanding with respect to the nomination between or among such Nominating Shareholder, any of their respective affiliates or associates, and any others acting jointly or in concert with any of the foregoing, including any nominee; (iv) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation; (v) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation; and (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information and documents as may reasonably be required by the Corporation to (i) determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee, (ii) confirm the agreement of the proposed nominee to comply with all policies and guidelines of the Corporation that are applicable to directors, or (iii) satisfy the requirements of applicable stock exchange rules.

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 4.02A; provided, however, that nothing in this Section 4.02A shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in

accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this Section 4.02A:

(a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada that is acceptable for Toronto Stock Exchange or TSX Venture Exchange listed issuers, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of this Section 4.02A, notice given to the Secretary of the Corporation pursuant to this Section 4.02A may only be given by personal delivery or by confirmed facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

8. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Section 4.02A.

9. This Section 4.02A was initially approved as By-Law No.1A and was approved and adopted by the board on September 10, 2013 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.

3. Removal of Directors

Subject to the Act and the articles, the shareholders may by ordinary resolution passed at a special meeting remove any director from office, except a director elected by employees or creditors pursuant to the articles or a unanimous shareholder agreement, and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board. However, if the articles provide for cumulative voting, no director shall be removed pursuant to this section where the votes cast against the resolution for his removal would, if cumulatively voted at an election of the full board, be sufficient to elect one or more directors.

4. Consent

A person who is elected or appointed a director is not a director unless:

4.1 he was present at the meeting when he was elected or appointed and did not refuse to act as a director, or

4.2 if he was not present at the meeting when he was elected or appointed:

1. he consented in writing to act as a director before his election or appointment or within ten (10) days after it, or
2. he has acted as a director pursuant to the election or appointment.

5. Vacation of Office

A director of the Corporation ceases to hold office when:

- 5.1 he dies or resigns;
- 5.2 he is removed in accordance with section 122 of the Act; or
- 5.3 he becomes disqualified under subsection 118(1) of the Act.

6. Committee of Directors

The directors may appoint from among their number a managing director or a committee of directors, however designated and, subject to section 127 of the Act, may delegate to the managing director or such committee any of the powers of the directors. A committee may be comprised of one director.

7. Transaction of Business of Committee

Subject to the provisions of this by-law with respect to participation in a meeting by telephone, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario and may be called by any one member of the committee giving notice in accordance with the by-laws governing the calling of meetings of the board.

8. Procedure

Unless otherwise determined herein or by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

9. Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

10. Vacancies

Subject to the Act, a quorum of the board may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles. If there is not a quorum of

directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

11. Action by the Board

Subject to any unanimous shareholder agreement, the board shall manage the business and affairs of the Corporation. Notwithstanding a vacancy among the directors, a quorum of directors may exercise all the powers of the directors. If the Corporation has only one director, that director may constitute a meeting.

MEETING OF DIRECTORS

1. Place of Meeting

Meetings of the board may be held at any place within or outside Ontario.

2. Notice of Meeting

Unless the board has made regulations otherwise, meetings of the board may be summoned on twenty-four (24) hours' notice, given verbally or in writing, and whether by means of telephone or telegraph, or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- 2.1 submit to the shareholders any question or matter requiring approval of the shareholders;
- 2.2 fill a vacancy among the directors or in the office of auditor;
- 2.3 issue securities, except in the manner and on the terms authorized by the board;
- 2.4 declare dividends;
- 2.5 purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the board;
- 2.6 pay a commission for the sale of shares;
- 2.7 approve a management proxy circular;
- 2.8 approve any financial statements to be placed before the shareholders at an annual meeting; or
adopt, amend or repeal by-laws.

Provided, however, that a director may in any manner, and either before or after the meeting, waive notice of a meeting and attendance of a director at a meeting of the board shall constitute a waiver of notice of the meeting except where a director 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.

For the first meeting of the board to be held immediately following an election of directors no notice of such meeting shall be necessary, and for a meeting of the board at which a director is to be appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided, in each case, that a quorum of the directors is present.

3. Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4. Calling of the Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine. Should more than one of the above-named call a meeting at or for substantially the same time, there shall be only one meeting held and such meeting shall occur at the time and place determined by, in order of priority, the board, any two directors, the chairman or the president.

5. Regular Meetings

The board may, from time to time, appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and forthwith to each director subsequently elected or appointed, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

6. Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director or president. If no such officer is present, the directors present shall choose one of their number to be chairman.

7. Quorum

Subject to the following section 8, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine.

8. Half Canadian Representation at Meetings

Directors shall not transact business at a meeting of directors unless at least one quarter of the directors present are resident Canadians. Notwithstanding the foregoing, directors may transact business at a meeting of directors when less than one-quarter of the directors present are resident Canadians if:

8.1 a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and

8.2 the number of resident Canadian directors present at the meeting, together with any resident Canadian director who gives his approval under clause (a), totals at least one-quarter of the directors present at the meeting.

9. Voting

Questions arising at any meeting of the board shall be decided by a majority of votes, and in the event of any equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.

10. Meeting by Telephone

A director may participate in a meeting of the board or a committee of the board by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such meeting by such means is deemed to be present at the meeting.

11. Resolution in Lieu of Meeting

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of directors is as valid as if it had been passed at a meeting of the board or committee of directors, as the case may be. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

12. Amendments to the Act

It is hereby affirmed that the intention of section 8 as it relates to Canadian representation is to comply with the minimum requirements of the Act and in the event that such minimum requirements shall be amended, deleted or replaced such that no, or lesser, requirements with respect to Canadian representation are then in force, such section shall be deemed to be correspondingly amended, deleted or replaced without any further act of the directors or shareholders of the Corporation.

PROTECTION OF DIRECTORS. OFFICERS AND OTHERS

1. Conflict of Interest

A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation or a subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract at the time and in the manner provided by the Act. Subject to the provisions of the Act, a director shall not by reason only of his office be accountable to the Corporation or to its shareholders for any profit or gain realized from such a contract or transaction, and such contract or transaction shall not be void or voidable by reason only of the director's interest therein, provided that the required declaration and disclosure of interest is properly made, the contract or transaction is approved by the directors or shareholders, if necessary, and it was fair and reasonable to the Corporation at the time it was approved and, if required by the Act, the director refrains from voting as a director on the contract or transaction.

2. Limitation of Liability

Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer for the time being of the Corporation shall be liable for the acts, neglects or defaults of any other director or officer or employee or for joining in any act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting for any dealings with any moneys, securities or other assets belonging to the Corporation or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the Regulations thereunder or from liability for any breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board.

No act or proceeding of any director or officer or the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the election, appointment or qualification of such director or officer or board.

3. Indemnity

Except as provided in the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate, if:

- 3.1 he acted honestly and in good faith with a view to the best interests of the Corporation;
and
- 3.2 in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall also indemnify such persons in such other circumstances as the Act permits or requires. Nothing herein contained shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this section 3.

4. Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in section 3 against any liability incurred by him:

4.1 in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or

4.2 in his capacity as a director or officer of the another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

OFFICERS

1. Election or Appointment

Subject to any unanimous shareholder agreement, the board may, from time to time, appoint a chairman of the board, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for a managing director and a chairman of the board who must be directors, an officer may, but need not be, a director and one person may hold more than one office.

2. Chairman of the Board

The chairman of the board shall, when present, preside at all meetings of the board, committees of directors and at all meetings of shareholders.

If no managing director is appointed, the board may assign to the chairman of the board any of the powers and duties that, by any provision of this by-law, are assigned to the managing director; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

3. Managing Director

The managing director, if any, shall have, subject to the authority of the board, general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify.

4. President

The president shall, subject to the authority of the board and the managing director, if any, have such powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office; provided, however, that unless he is a director he shall not preside as chairman at any meeting of the board or of a committee of directors.

5. Vice-President

During the absence or disability of the president, his duties shall be performed and his powers exercised by the vice-president or, if there is more than one, by the vice-president designated from time to time by the board or the president; provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of the board or of a committee of directors. A vice-president shall have such other powers and duties as the board or the president may prescribe.

6. Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer, if any, may specify.

7. Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions and he shall have such other powers and duties as the board or chief executive officer, if any, or the president may specify.

8. General Manager or Manager

If elected or appointed, the general manager shall have, subject to the authority of the board, the managing director, if any, the chief executive officer, if any, and the president, full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board and/or by the shareholders) and to employ and discharge agents and employees of the Corporation and may delegate to him or them any lesser authority. A general manager or manager shall conform to all lawful orders given to him by the board and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a general manager or manager shall be subject to discharge by the board.

9. Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board, the managing director, if any, or the chief executive officer, if any, or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer, if any, or the president otherwise directs.

10. Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

11. Vacancies

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board by resolution may appoint a person to fill such vacancy.

12. Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers shall be subject to removal by resolution of the board at any time, with or without cause, notwithstanding any agreement to the contrary, provided however that this right of removal shall not limit in any way such officer's right to damages by virtue of such agreement or any other rights resulting from such removal in law or equity.

13. Agents and Attorneys

The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

14. Conflict of Interest

An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 1.

15. Fidelity Bonds

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such forms and with such surety as the board may from time to time determine.

SHAREHOLDERS' MEETINGS

1. Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held at such time and on such day in each year and at such place or places as the board, the chairman of the board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors if required by the Act or the articles, and for the transaction of such other business as may properly be brought before the meeting.

2. Special Meetings

The board shall have the power to call a special meeting of shareholders at any time.

3. Place of Meetings

Meetings of shareholders shall be held as provided for in the articles or failing any reference in the articles at such place in Ontario as the board may determine.

4. Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, as a record date for the determination of shareholders entitled to notice of the meeting. If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be the close of business on the date immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

5. Notice of Meeting

Notice of the time and place of each meeting of shareholders shall be sent not less than twenty-one (21) days and not more than fifty (50) days before the meeting to each shareholder entitled to vote at the meeting, each director and the auditor of the Corporation. Such notice may be sent by mail addressed to, or may be delivered personally to, the shareholder, at his latest address as shown in the records of the Corporation or its transfer agent, to the director, at his latest address as shown in the records of the Corporation or in the last notice filed pursuant to the Act, or to the auditor, at his most recent address as shown in the records of the Corporation. A notice of meeting of shareholders sent by mail to a shareholder, director or auditor in accordance with the above is deemed to be served on the day on which it was deposited in the mail. A notice of a meeting is not required to be sent to shareholders who are not registered on the records of the Corporation or its transfer agent on the record date as determined according to section 4 hereof. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A special meeting and an annual meeting may be convened by one and the same notice and it shall not be an objection to the notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

6. Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 7 hereof, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the close of business on the record date, or if no record date is set, at the close of business on the date preceding the date notice is sent, is entered in the securities' register as the holder of one or more shares carrying the right to vote at such meeting.

7. List of Shareholders Entitled to Notice

In the event the Corporation has greater than fifteen (15) shareholders entitled to vote at a meeting, for every meeting of shareholders the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order, and showing the number of shares held by each shareholder. If a record date for the meeting is fixed pursuant to section 4 hereof by the board, the shareholders listed shall be those registered at the close of business on the record date. If no record date is

fixed by the board, the shareholders listed shall be those listed at the close of business on the last business day immediately preceding the day on which notice of a meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where its central securities' register is maintained and at the place where the meeting is held.

8. Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

8.1 if all the shareholders entitled to vote thereat are present in person or represented by proxy or

8.2 if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and

8.3 if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held.

At such meetings any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to a meeting being held at such place.

9. Waiver of Notice

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person 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.

10. Chairman, Secretary and Scrutineers

The chairman of the board or, in his absence, the president, if such an officer has been elected or appointed and is present, or otherwise a vice-president who is a shareholder of the Corporation shall be chairman of any meeting of shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, or declines to be chairman of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

11. Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

12. Quorum

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or by any other by-law) shall be persons present not being less than two (2) in number and holding or representing not less than five (5%) per cent of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of the meeting of shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

13. Participation in Meeting by Telephone

A shareholder or any other person entitled to attend a meeting may participate in a meeting of shareholders by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by such means is deemed to be present at the meeting.

14. Proxyholders and Representatives

Votes at meetings of the shareholders may be given either personally or by proxy; or, in the case of a shareholder who is a body corporate or association, by an individual authorized by a resolution of the board or governing body of the body corporate or association to represent it at a meeting of shareholders of the Corporation, upon producing a certified copy of such resolution or otherwise establishing his authority to vote to the satisfaction of the secretary or the chairman.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. A person appointed by proxy need not be a shareholder.

15. Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

16. Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholder may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

17. Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast and in the event of an equality of votes at any meeting of shareholders, either upon a show of hands or upon a ballot, the chairman shall have a second or casting vote.

18. Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of shareholders upon the said question.

19. Ballots

On any question proposed for consideration at a meeting of shareholders, a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote by show of hands. If a ballot is demanded on the election of a chairman or on the question of an adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the articles or, in the absence of such provision in the articles, to one vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question. The demand or requirement for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot has been demanded or required.

20. Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of the adjournment. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given in the same

manner as notice for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) day, subsection 111 of the Act does not apply.

21. Resolution in Lieu of a Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders. A copy of every such resolution in writing shall be kept with minutes of the meetings of shareholders. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

22. Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

SHARES

1. Non-Recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

2. Certificates

The shareholder is entitled at his option to a share certificate that complies with the Act or a non-transferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the securities of the Corporation held by him. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as described by the Act and as the board shall from time to time approve. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on the share certificate may be printed or otherwise mechanically reproduced on it.

3. Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issuance of a new share certificate or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

4. Joint Holders

The Corporation is not required to issue more than one share certificate in respect of a share held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all. Any one of such holders may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such certificate.

TRANSFER OF SECURITIES

1. Registration of Transfer

If a share in registered form is presented for registration of transfer, the Corporation shall register the transfer if:

- 1.1 the share is endorsed by an appropriate person in accordance with the Act;
- 1.2 reasonable assurance is given that the endorsement is genuine and effective;
- 1.3 the Corporation has no duty to enquire into adverse claims or has discharged any such duty;
- 1.4 any applicable law relating to the collection of taxes has been complied with;
- 1.5 the transfer is rightful or is to a bona fide purchaser; and
- 1.6 the transfer fee, if any, has been paid.

2. Transfer Agents and Registrar

The board may from time to time by resolution appoint or remove one or more agents as its agent or agents to maintain a central securities' register or registers, and an agent or agents to maintain a branch securities' register or registers. Agents so appointed may be designated as transfer agent or registrar according to their functions, and a person may be appointed and designated with functions as both registrar and transfer or branch transfer agent. Registration of the issuance or transfer of a security in the central securities' register or in a branch securities' register is complete and valid registration for all purposes.

3. Securities' Registers

A central securities' register of the Corporation shall be kept at its registered office or at any other place in or outside of Ontario designated by the board to record the shares and other securities issued by the Corporation in registered form. A branch securities' register or registers may be kept either in or outside Ontario at such place or places as the board may determine. A branch securities' register shall only contain particulars of securities issued or transferred at that branch. Particulars of each issue or transfer of a security registered in a branch securities' register shall also be kept in the corresponding central securities' register.

4. Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities' register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

DIVIDENDS AND RIGHTS

1. Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully-paid shares of the Corporation.

2. Dividend Cheques

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and shall be mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities' register or registers or such address as such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

3. Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

4. Unclaimed Dividends

No dividend shall bear interest against the Corporation. Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

5. Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than fifty (50) days the date for the payment of any dividend, as a record date for the determination of the persons entitled to receive payment of such dividend, provided that, unless waived as provided for in the Act, notice of any such record date is given, not less than seven (7) days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada, if any, on which the Corporation's shares are listed for trading. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend shall be at the close of business on the day on which the resolution relating to such dividend is passed by the board.

INFORMATION AVAILABLE TO SHAREHOLDERS

1. Confidential Information

Except as provided by the Act, no shareholders shall be entitled to obtain information respecting any details or conduct of the Corporation's business which in the opinion of the directors it would be inexpedient in the interests of the Corporation to communicate to the public.

2. Conditions of Access to Information

The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholders shall have any right to inspect any document or book or register or account record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders.

3. Registered Office and Separate Records Office

The registered office of the Corporation shall be at a place within Ontario and at such location therein as the board may from time to time determine. The records office will be at the registered office or at such location, if any, within Alberta, as the board may from time to time determine.

NOTICES

1. Method of Giving Notices

A notice or document required by the Act, the Regulations, the articles or the bylaws to be sent to a shareholder or director of the Corporation may be sent by prepaid mail addressed to, or may be delivered personally to:

1.1 the shareholder at his latest address as shown in the records of the Corporation or its transfer agent; and

1.2 the director at his latest address as shown in the records of the Corporation or in the last notice filed under the Act.

A notice or document sent by mail in accordance with the foregoing to a shareholder or director of the Corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholders or director did not receive the notice or document at the time or at all.

2. Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

3. Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholders from whom he derives his title to such share prior to his name and address being entered on the securities' register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

4. Non-Receipt of Notices

If a notice or document is sent to a shareholder in accordance with section 1 and the notice or document is returned on three (3) consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until the shareholder informs the Corporation in writing of his new address; provided always, that in the event of the return of a notice of a shareholders' meeting mailed to a shareholder in accordance with section 1 the notice shall be deemed to be received by the shareholder on the date deposited in the mail notwithstanding its return.

5. Omissions and Errors

Subject to the Act, the accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

6. Signature on Notices

Unless otherwise specifically provided, the signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

7. Waiver of Notice

If a notice or document is required by the Act or the Regulations, the articles, the by-laws or otherwise to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to receive it.

MISCELLANEOUS

1. Directors to Require Surrender of Share Certificates

The directors in office when a Certificate of Continuance is issued under the Act are hereby authorized to require the shareholders of the Corporation to surrender their share certificate, or such of their share certificates as the directors may determine, for the purpose of cancelling the share certificates and replacing them with new share certificates that comply with section 56 of the Act, in particular, replacing existing share certificates with share certificates that are not negotiable securities under the Act. The directors in office shall act by resolution under this section 1 and shall in their discretion decide the manner in which they shall require the surrender of existing share certificates and

the time within which the shareholders must comply with the requirement and the form or forms of the share certificates to be issued in place of the existing share certificates. The directors may take such proceedings as they deem necessary to compel any shareholders to comply with a requirement to surrender his share certificate or certificates pursuant to this section. Notwithstanding any other provision of this by-law, but subject to the Act, the director may refuse to register the transfer of shares represented by a share certificate that has not been surrendered pursuant to a requirement under this section.

2. Financial Assistance to Shareholders. Employees and Others

The Corporation may give financial assistance by means of a loan, guarantee or otherwise:

- 2.1 to any person in the ordinary course of business if the lending of money is part of the ordinary business of the Corporation;
- 2.2 to any person on account of expenditures incurred or to be incurred on behalf of the Corporation;
- 2.3 to a holding body corporate if the Corporation is a wholly-owned subsidiary of the holding body corporate;
- 2.4 to a subsidiary body corporate of the Corporation; or
- 2.5 to employees of the Corporation or any of its affiliates:
 - 1. to enable or assist them to purchase or erect living accommodation for their own occupation; or
 - 2. in accordance with the plan for the purchase of shares of the Corporation or any of its affiliates to be held by a trustee;

and, subject to the Act:

- 2.6 to a shareholder or director of the Corporation or of an affiliated corporation;
- 2.7 to an associate of a shareholder or of a director of the Corporation or of an affiliated corporation; or
- 2.8 to any person for the purpose of or in connection with a purchase of a share issued or to be issued by the Corporation or an affiliated corporation.

3. Severability

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

MADE by the board as of the 16th day of December, 2014.

"Vishal Gupta"
President & Chief Executive Officer

"Behn Conroy"
Secretary & Chief Financial Officer

CONFIRMED by the Shareholders in accordance with the *Business Corporations Act*
(Ontario), the ____ day of _____, 201__.

Secretary

SCHEDULE "B"
SECTION 191 OF THE ABCA

Shareholder's right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2) (a) at or before any meeting of shareholders at which the resolution is to be voted on, or (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due,
or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

SCHEDULE "C"
CHARTER OF THE AUDIT COMMITTEE OF CALIFORNIA GOLD MINING INC.

I. INTRODUCTION

A. Purpose

The board of directors of California Gold Mining Inc. (the "Company") has established an audit committee consisting of board members (the "Audit Committee"). The *Audit Committee* shall assist the board of directors of the *Company* in fulfilling its responsibilities of oversight and supervision of:

- the integrity of the accounting and financial reporting practices and procedures of *California Gold*;
- the adequacy of *California Gold's* internal accounting controls and procedures and management information systems;
- the quality and integrity of the consolidated financial statements of the *Company*; and
- the independence of the *Company's* external auditors.

B. Defined Terms

Those terms used in this Charter of California Gold Mining Inc. Audit Committee appearing in *italics* are defined terms whose definitions may be found in Section VI – Definitions.

II. COMPOSITION

A. Qualifications

The board of directors of the *Company* shall elect annually three of its members to sit on the *Audit Committee*. The three members of the Audit Committee shall each be (a) *independent* and (b) *financially literate*.

B. Affiliated Entities

Any member of the Audit Committee who sits on the board of directors of an *affiliated entity*, is exempt from the requirement that he or she be *independent* if that member, but for being a director (or member of the audit committee or any other board committee) of the *Company* and the *affiliated entity*, is otherwise *independent* of the *Company* and the *affiliated entity*, provided that the *Company's* board of directors, as the case may be, have determined that appointing such member to the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act *independently*.

C. Ceasing to be Independent

If a member of the *Audit Committee* ceases to be *independent* for reasons outside his or her reasonable control, that member is exempt from the requirement to be *independent*

for a period ending the later of (a) the next annual meeting of the *Company* and (b) the date that is six months from the occurrence of the event which caused the member to not be *independent*, provided that the board of directors of the *Company* has determined that allowing such member to continue to remain on the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act *independently*.

D. Vacancies

Where the death, disability or resignation of a member of the *Audit Committee* has resulted in a vacancy that the board of directors of the *Company* are required to fill, a member appointed to fill such vacancy is exempt from the requirements to be *independent* and *financially literate* for a period ending the later of (a) the next annual meeting of the *Company* and (b) the date that is six months from the day the vacancy was created, provided that the board of directors of the *Company* has determined that appointing such member to the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act *independently*.

III. RESPONSIBILITIES

Subject to those powers and duties of the board of directors of the *Company* which may not be delegated, the board hereby delegates to the *Audit Committee* the powers and duties outlined below.

A. Review Procedures

The Audit Committee shall:

- Review the *Company's* consolidated annual audited financial statements, annual MD&A, annual earnings press releases and related documents prior to any public disclosure of such information.
- Review the *Company's* consolidated interim unaudited financial results, interim MD&A, interim earnings press releases and related documents prior to any public disclosure of such information.
- Following a review with the external auditors of the *Company's* annual and interim consolidated financial statements and related documents, recommend to the board of directors of the *Company* that such financial statements and related documents be approved.
- Consider the external auditors' judgments about the quality and appropriateness, and not just the acceptability, of the accounting principles and financial disclosure practices of the *Company*, as applied in its financial reporting.
- Consider and approve, if appropriate, major changes to the *Company's* accounting principles and practices as suggested by the external auditors or management and ensure that the external auditors' reasoning is described in determining the appropriateness of changes in accounting principles and disclosures.

- In consultation with management and the external auditors, consider the integrity of the financial reporting processes and controls, and disclosure controls of *California Gold*.
- Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the external auditors together with management's responses.
- Review and resolve any significant disagreements among management and the external auditors in connection with the preparation of the financial statements.
- Annually assess the adequacy of the procedures in place for the review of the *Company's* public disclosure of financial information extracted or derived from the *Company's* consolidated financial statements, other than the public disclosure of the MD&A and annual and interim earnings press releases.
- Establish procedures for (a) the receipt, retention and treatment of complaints received by *California Gold* regarding accounting, internal account controls or auditing matters and (b) the confidential, anonymous submission by employees of *California Gold* of concerns regarding questionable accounting or auditing matters.

B. External Auditors

The Audit Committee shall:

- Annually review and recommend to the board of directors of the *Company*, the retention or replacement of the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the *Company*.
- Annually review and recommend for approval of the shareholders of the *Company* the terms of engagement and the remuneration of the external auditor of the *Company*.
- Pre-approve any non-audit services to be provided to *California Gold* by the *Company's* external auditors provided that the *Audit Committee* may delegate to one or more *independent* members the authority to pre-approve non-audit services in satisfaction of this requirement. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full *Audit Committee* at the first scheduled meeting following such approval.
- Annually, review and discuss with the external auditors all significant relationships the auditors have with *California Gold* that could impair the auditors' independence.
- Review the external auditors' audit plan and discuss the scope of the audit, staffing, materiality, locations, reliance upon management and their general audit approach.
- Consider the external auditors' judgments about the quality and appropriateness of the accounting principles of the *Company* as applied in its financial reporting.

- Review and approve the *Company's* hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the *Company*.

C. Ethical and Legal Compliance

The Audit Committee shall:

- On at least an annual basis, review with *California Gold's* legal counsel any legal matters that could have a significant impact on such organizations' financial statements or compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
- Perform any other activities consistent with this Charter of California Gold Mining Inc. Audit Committee, the articles of incorporation (or equivalent) of the *Company*, its bylaws, as the *Audit Committee*, or the board of directors of the *Company* deem necessary or appropriate.

D. Annual Evaluation

On at least an annual basis, the *Audit Committee* shall:

- Review and reassess the adequacy of this Charter of California Gold Mining Inc. Audit Committee.
- Conduct self-assessment of its performance, including a review and discussion of the combined roles and responsibilities of the *Audit Committee*, seeking input from senior management, and the board of directors of the *Company*.

IV. AUDIT COMMITTEE PROCESSES

- The *Audit Committee* may appoint one of its members to act as its chairman (the "Chairman"). The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Audit Committee or a director, and can be changed by simple notice from the Chairman.
- The *Audit Committee* shall meet at least four times annually, or more frequently as circumstances require. The Chairman of the *Audit Committee* shall prepare and/or approve an agenda in advance of each meeting.
- The *Audit Committee* may ask members of management or others to attend meetings and provide pertinent information as necessary. The *Audit Committee* should meet privately in an executive session at least annually with management, the external auditors (without management present), and as a committee to discuss any matters that the *Audit Committee* or any of the groups above that have been met with believe should be discussed. In addition, the *Audit Committee* should communicate with management quarterly to review the consolidated financial statements of the *Company*.
- No business may be transacted by the *Audit Committee* except at a meeting of its members at which a quorum of the *Audit Committee* is present or by a resolution in writing signed by all the members of the *Audit Committee*. A majority of the members of the *Audit Committee*

shall constitute a quorum, provided that if the number of members of the *Audit Committee* is an even number, then one half of the number of members plus one shall constitute a quorum.

- Any member of the *Audit Committee* may be removed or replaced at any time by the board of directors of the *Company*, and shall cease to be a member of the *Audit Committee* as soon as the board of directors of the *Company*, so resolves. Subject to the foregoing, each *Audit Committee* member shall hold such office until the next annual meeting of shareholders of the *Company* after his or her election.
- The *Audit Committee* shall have access to such officers and employees of *California Gold*, its external auditors and its legal counsel and to such information respecting *California Gold* as it considers necessary or advisable in order to perform its duties and responsibilities.
- The time at which and the place where the meetings of the *Audit Committee* shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the *Audit Committee*, unless otherwise provided for in the *Company's* articles of continuance or its by-laws or otherwise determined by resolution of the board of directors of the *Company* as applicable.
- The members of the *Audit Committee* shall be entitled to receive such remuneration for acting as members of the *Audit Committee* as the board of directors of the *Company*, may from time to time determine.

V. RESOURCES

- The *Audit Committee* shall have the authority to retain independent legal, accounting and other consultants to advise it and shall have the authority to set and pay the compensation for any such advisors.
- The *Audit Committee* may request that any member of management or outside consultant attend a meeting of the *Audit Committee* or meet with any members of, or consultants to, the *Audit Committee*.

VI. DEFINITIONS

"**affiliated entity**" means a person or company in relation to another person or company if (a) one of them *controls* or is *controlled* by the other or if both persons or companies are *controlled* by the same person or company or (b) the person or company is (i) both a director and employee of an *affiliated entity* or (ii) an executive officer, general partner or managing member of an *affiliated entity*.

"**Audit Committee**" shall have the meaning ascribed to such term in Section I – Introduction.

"**California Gold**" means California Gold Mining Inc. and its *subsidiary entities*.

"**Chairman**" shall have the meaning ascribed to such term in Section IV – Audit Committee Processes.

"**Company**" shall have the meaning ascribed to such term in Section I – Introduction.

"**control**" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.

"**financially literate**" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably be expected to be raised by the financial statements of the *Company* or its *subsidiary entities*.

"**independent**" means an individual who has no direct or indirect *material relationship* with *California Gold*.

"**material relationship**" means a relationship which could, in the view of the board of directors of the *Company*, reasonably interfere with the exercise of an *Audit Committee* member's independent judgment. Without limiting the generality of the foregoing, the following persons are considered to have a material relationship with *California Gold*:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of *California Gold*;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of *California Gold*;
- (c) an individual who:
 - (i) is a partner of a firm that is internal or external auditor of the *Company*;
 - (ii) is an employee of that firm; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of the *Company* within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is internal or external auditor of the *Company*;
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of the *Company* within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any member of *California Gold* current executive officers serves or served at that same time on the entity's compensation committee;
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of *California Gold* received, more than \$75,000 in direct compensation from *California Gold* during any twelve month period within the last three years;

- (g) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from *California Gold*, other than as remuneration for acting in his or her capacity as a member of the board of directors of the *Company* or any board committee, or as a part-time chair or vice-chair of the Board or any board committee; and
- (h) is an affiliated entity of *California Gold*.

This list is not meant to be exhaustive. For further guidance on the issue of independence, *Audit Committee* members should consult Multilateral Instrument 52-110 – Audit Committees.

"**Secretary**" shall have the meaning ascribed to such term in Section IV – Audit Committee Processes.

"**subsidiary entity**" means a person or company in relation to another person or company where the person or company is (a) controlled by (i) that other, (ii) that other and one or more persons or companies each of which is controlled by that other or (iii) two or more persons or companies, each of which is controlled by that other or (b) a *subsidiary entity* of a person or company that is the other's *subsidiary entity*.

Approved by the Board of Directors of California Gold Mining Inc.
on April 13, 2010