NEWMARKET GOLD INC.

Annual General and Special Meeting
to be held on July 4, 2014

Notice of Annual General and Special Meeting
and
Information Circular

June 4, 2014

NEWMARKET GOLD INC.

3244 – 1055 DUNSMUIR STREET
VANCOUVER, B.C. V7X 1L3

INFORMATION CIRCULAR

(as at June 4th, 2014 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the "**Circular**") is provided in connection with the solicitation of proxies by the Management of Newmarket Gold Inc. (the "**Company**"). The form of proxy which accompanies this Circular (the "**Proxy**") is for use at the annual general and special meeting of the shareholders of the Company to be held on Friday, July 4, 2014 (the "**Meeting**"), at the time and place set out in the accompanying notice of Meeting (the "**Notice of Meeting**"). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company**. A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. ("**Computershare**") by 9:00 a.m. (local time in Vancouver, British Columbia) on Wednesday, July 2, 2014, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

(a) signing a proxy with a later date and delivering it at the time and place noted above;

(b) signing and dating a written notice of revocation and delivering it at the time and place noted above; or

(c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him on any ballot that may be called for, and if the designated holder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the "Management") knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

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 Company'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, then 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States 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 shareholder 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 instrument 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 Company. 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 ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs 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 VIF cannot use that form to vote common shares directly at the Meeting. The VIFs 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.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a

Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder should carefully follow the instructions contained in the documentation provided to the Beneficial Shareholer.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare Investor Services Inc., unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended December 31, 2013, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 51,590,374 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at Wednesday, June 4, 2014, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

Other than as set out below, to the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, or control or direct, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company.

Name	Number of Common Shares	Percentage of Issued Capital
Douglas B. Forster	6,282,667	12.2%
Blayne Johnson	6,282,667	12.2%
Randall Oliphant	6,048,170	11.7%

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was set at five at the Company's last annual general meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at seven.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned or controlled or directed, directly or indirectly at present[1]
Raymond Threlkeld [2] Virginia, United States ***Chairman and Director***	Principal occupation is a Corporate Director and consultant on natural resource development; Director of New Gold Inc. since June 1, 2009; President and CEO of Rainy River Resources Ltd. from 2009 to 2013; Chief Operating Officer of Silver Bear Resources Inc. from 2005 to 2009; President and CEO of Western Goldfields Inc. from 2006 to 2009.	March 14, 2014	Nil

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned or controlled or directed, directly or indirectly at present[1]
Douglas B. Forster British Columbia, Canada ***President, Chief Executive Officer and Director***	Director, Calibre Mining Corp. from 2003 to present; Director, Edgewater Exploration Ltd. from 2011 to present; Director, Pinecrest Resources Ltd. from 2010 to present; President and Chief Executive Officer, Featherstone Capital Inc. from 2005 to present; President and Chief Executive Officer, Quarry Capital Corp. from 1994 to present; Director, Potash One Inc. from 2008 to 2011.	June 14, 2011	6,282,667
Blayne Johnson [3] [4] British Columbia, Canada ***Executive Vice President and Director***	Chairman of Featherstone Capital Inc. from 2005 to present.	June 14, 2011	6,282,667
Lukas Lundin Vaud, Switzerland ***Director***	Businessman/mining executive; director and officer of a number of publicly traded resource-based companies, including Lundin Mining Corporation, Lundin Petroleum SA, Denison Mines Corp., Lucara Diamond Corp., and Fortress Minerals Corp.	October 4, 2013	4,668,000
Randall Oliphant Ontario, Canada ***Director***	Executive Chairman of New Gold Inc., from 2009 to present; Chairman Western Goldfields Inc. from 2006 to 2009.	October 4, 2013	6,048,170
Douglas Hurst [2] [3] [4] British Columbia, Canada ***Director***	Chairman of Selkirk Power Company from 2007 to present; Director of WPC Commodities from 2007 to present.	October 4, 2013	3,633,334
Edward Farrauto [2] [3] [4] British Columbia, Canada ***Director***	Certified General Accountant; President, Sail View Capital Ltd. from February 1994 to present.	July 22, 1998	2,063,640

Notes:
(1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
(2) A member of the compensation committee.
(3) A member of the audit committee.
(4) A member of the corporate governance committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company:

(a) that while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) that while that person was acting in that capacity was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) that while that person was acting in that capacity within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

EXECUTIVE COMPENSATION

Named Executive Officers

Effective October 4, 2013, the Company named a new management team of two Named Executive Officers ("**NEOs**") being, Douglas B. Forster, the President and Chief Executive Officer ("**CEO**") and Paulo Santos, the Chief Financial Officer ("**CFO**"). Prior to October 4, 2013 and for the financial years ending December 31, 2012 and 2011, the Company had one NEO, being Edward C. Farrauto, the CEO, President, and CFO of the Company.

"Named Executive Officer" means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

Overview

The Compensation Committee is responsible for reviewing and negotiating each NEO's total compensation arrangement with the Company, reviewing and advising on stock option guidelines, including making recommendations on specific option grants, and reviewing and recommending to the Board the compensation policies and principles that will be applied to other executives and employees of the Company.

The Compensation Committee reviews each NEO's compensation on a regular basis. When reviewing each NEO's compensation, the Compensation Committee takes into consideration the following objectives: (a) recruiting and retaining those NEO's that are critical to the success of the Company; (b) providing fair and competitive compensation; (c) balancing the interests of the management and the shareholders of the Company; (d) motivating NEO's to deliver strong business performance, both on an individual basis and with respect to the business of the Company in general; and (e) ensuring the executive compensation program is simple to communicate and administer.

The Compensation Committee will receive and review any recommendations of the President and CEO of the Company relating to the general compensation structure, policies and programs of the Company and the salary and benefit levels for the NEOs.

Objectives

It is the objective of the Company's compensation program to attract and retain highly qualified executives and to link compensation to performance and shareholder value. The Compensation Committee's goal is to ensure that the NEO's compensation is sufficiently competitive to achieve this objective. The Compensation Committee considers a number of factors in order to determine the NEO's compensation, including the Company's contractual obligations, the individual's performance and other qualitative aspects of the individual's performance and achievements, the amount of time and effort the individual will devote to the Company and the Company's financial resources.

Elements of the Compensation Program

The Company's compensation program is comprised of: (a) a base salary, consulting, or management fee arrangement and benefits; (b) a short-term incentive program in the form of bonuses; and (c) long-term incentives in the form of incentive stock options. Each component of the Company's compensation program is addressed below.

Base Salaries or Management Fee Arrangements and Benefits

The base salaries, consulting or management fee arrangements and benefits paid to the NEOs are not based on any specific formula and are set so as to be competitive with other companies of similar size and state of development in the mineral industry.

Short-Term Incentives

Bonuses are paid to NEOs based on individual, team and Company performance and the NEO's position in the Company. Any bonus awards are at the sole discretion of the Board. No bonuses were paid to NEOs in the financial year ended December 31, 2013.

Long Term Incentives and the Company's Stock Option Plan

The recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board with assistance, as required, from the Compensation Committee. The exercise price of the stock options granted is generally determined by the market price at the time of grant. The Stock Option Plan is administered by the Board of Directors and provides that the options will be issued pursuant to option certificates.

The purpose of the Stock Option Plan is to advance the interest of the Company by encouraging the directors, officers and consultants of the Company, to acquire shares in the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

Risk Management

The Compensation Committee is responsible for ensuring that the Company's approach to compensation encourages appropriate management behaviours, while avoiding excessive risk-taking by executive officers. Given the current stage of development, at this time, the Board has not formally assessed the implications of the risks associated with the Company's compensation policies and practices.

Hedging

The Company does not permit its executive officers and directors to purchase financial instruments, including, for greater certainty, prepared variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Summary Compensation Table

Name and principal position	Year	Salary or Fee ($) [2]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($) [3] [4]	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Douglas B. Forster, [1] President & CEO	2013	83,333	Nil	24,378[5]	Nil	Nil	Nil	28,000	135,711
	2012	Nil	Nil	Nil	Nil	Nil	Nil	42,000	42,000
	2011	Nil	Nil	58,608[6]	Nil	Nil	Nil	35,000	93,608
Paulo Santos, [1] CFO	2013	25,000	Nil	8,126[5]	Nil	Nil	Nil	Nil	33,126
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Edward Farrauto, [1] Former CEO, CFO, & President	2013	8,000	Nil	24,378[5]	Nil	Nil	Nil	Nil	32,378
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) On October 4, 2013, Mr. Edward Farrauto resigned as the Company's President, CEO and CFO. On the same day, Mr. Douglas B. Forster was appointed as the Company's President and CEO and Mr. Paulo Santos was appointed as the Company's CFO. Mr. Edward Farrauto was acting President, CEO and CFO for the years ending December 31, 2012 and 2011 and up to the date of his resignation.

(2) This figure includes the dollar value of cash and non-cash base salary, management and/or consulting fee each NEO earned during the relevant financial year.

(3) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of $50,000 or 10% of the total salary for the financial year.

(4) On March 11, 2011, the Company entered into a consulting agreement with Featherstone Capital Advisors Inc. ("**Featherstone**") pursuant to which Featherstone agreed to provide corporate development and financial advisory services to the Company. Featherstone is a company owned 50% by Mr. Douglas B. Forster. The Company agreed to pay Featherstone a retainer of $7,000 per month plus expenses and granted Featherstone 300,000 stock options exercisable at $0.47 per share for a period of five years from the date of grant. The agreement with Featherstone was terminated effective August 31, 2013. For the purposes of the above compensation table, the fees and fair values of option awards paid and issued to Featherstone for each of the years represented have been allocated 50% to Mr. Forster.

(5) The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements. The fair value of the option-based awards for 2013 was determined using the following Black-Scholes option model assumptions: a five year term, a risk-free rate of 1.70%, no dividend payments, and a 100% volatility in the Company's share price.

(6) The options granted in 2011 were granted to and held by Featherstone. The total fair value of the stock options granted was $117,216, which was calculated using the Black-Scholes option pricing model with a risk free rate of 1.41%, a volatility factor of 120%, a dividend yield of Nil, and an expected life of 5 years. For the purposes of the above compensation table, the fair value of the stock options granted has been allocated 50% to Mr. Forster.

Narrative Discussion

On September 1, 2013, the Company entered into a consulting agreement (the "**CEO Agreement**") with Mr. Douglas Forster, whereby the Company agreed to pay Mr. Forster a monthly consulting fee of $20,833 for management services and for acting as the Company's CEO. Pursuant to the CEO Agreement, Mr. Forster is entitled to receive a performance related bonus on the same terms and conditions as other persons participating in any bonus plan that may be established and approved by the Board and Compensation Committee. Any bonus payable to Mr. Forster will be at the sole discretion of the Board. No bonus payment was paid to Mr. Forster for any of the financial years ending 2013, 2012 or 2011. The Company may terminate the CEO Agreement at any time by providing 60 days written notice to Mr. Forster.

On September 1, 2013, the Company entered into a consulting agreement (the "**CFO Agreement**") with Mr. Paulo Santos, whereby the Company agreed to pay Mr. Santos a monthly consulting fee of $4,000 for management services and for acting as the Company's CFO. Pursuant to the CFO Agreement, Mr. Santos is entitled to receive a performance related bonus on the same terms and conditions as other persons participating in any bonus plan that may be established and approved by the Board and Compensation Committee. Any bonus payable to Mr. Santos will be at the sole discretion of the Board. No bonus payment was paid to Mr. Santos for any of the financial years ending 2013, 2012 or 2011. The Company may terminate the CFO Agreement at any time by providing 60 days written notice to Mr. Santos. Prior to being engaged by the Company to act as the Company's CFO, Mr. Santos consulted on a month-to-month basis for management and accounting services performed during 2013.

On September 1, 2013, the Company entered into a consulting agreement with Mr. Edward Farrauto, whereby the Company agreed to pay Mr. Farrauto a monthly consulting fee of $2,000 for management services. Pursuant to this agreement, Mr. Farrauto is entitled to receive a performance related bonus on the same terms and conditions as other persons participating in any bonus plan that may be established and approved by the Board and Compensation Committee. Any bonus payable to Mr. Farrauto will be at the sole discretion of the Board. No bonus payment was paid to Mr. Farrauto for any of the financial years ending 2013, 2012 or 2011. The Company may terminate the agreement with Mr. Farrauto at any time by providing 60 days written notice to Mr. Farrauto.

See also *Termination and Change of Control Benefits* below.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($) [1]**	**Option expiration date**	**Value of unexercised in-the-money options ($) [1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Douglas B. Forster,[1] President & CEO	300,000	0.20	October 4, 2018	42,000	N/A	N/A	N/A
	150,000 [2]	0.47	March 1, 2016	Nil			
Paulo Santos,[1] CFO	100,000	0.20	October 4, 2018	14,000	N/A	N/A	N/A
Edward Farrauto, [1] Former CEO, CFO, & President	300,000	0.20	October 4, 2018	42,000	N/A	N/A	N/A

Notes:

(1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2013 over the exercise price of the options. The market price for the Company's common shares on December 31, 2013 was $0.34.

(2) Featherstone is a company owned 50% by Mr. Douglas B. Forster. Featherstone was granted 300,000 stock options exercisable at $0.47 per share and expiring on March 1, 2016. For the purposes of the above awards table, the options outstanding to Featherstone have been allocated 50% to Mr. Forster.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	**Option-based awards - Value vested during the year ($) [1]**	**Share-based awards - Value vested during the year ($)**	**Non-equity incentive plan compensation - Value earned during the year ($)**
Douglas B. Forster, President & CEO	Nil	N/A	N/A
Paulo Santos, CFO	Nil	N/A	N/A
Edward Farrauto, Former CEO, CFO, & President	Nil	N/A	N/A

Note:

(1) This value is determined by calculating the difference between the market price of the underlying common shares on the vesting date and the exercise price of the options on the vesting date.

Narrative Discussion

The following information is intended as a brief description of the Company's stock option plan dated April 10, 2012 (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. The Board has approved certain amendments to the Stock Option Plan and will be seeking shareholder approval to such amendments, as more particularly set out in the sections of the information circular entitled "Particulars of Matters to be Acted Upon – Approval of Amendments to the Stock Option Plan" and "Particulars of Matters to be Acted Upon – Approval of a Further Amendment to the Stock Option Plan."

1. The Board may, from time to time, in its sole discretion, grant to directors, officers, employees and consultants, stock options to acquire shares of the Company. The Stock Option Plan shall be administered by the secretary of the Company or such director or other senior officer or employee of the Company as may be designated as administrator by the Board from time to time.

2. The maximum number of shares issuable under the Stock Option Plan, together with the number of shares issuable under outstanding options granted otherwise than under the Stock Option Plan, shall not exceed 5,371,408 shares of the Company, provided that, as long as the Company's shares are listed on the NEX board of the Exchange, the maximum number of stock options that may be reserved for issuance in any 12 month period shall not exceed 10% of the issued and outstanding shares.

3. The Company shall not grant stock options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding shares of the Company.

4. The Company shall not, in any 12 month period, grant options to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of shares exceeding, in aggregate 2% of the issued and outstanding shares of the Company.

5. The Company shall not grant options to any one person in any 12 month period which could, when exercised, result in the issuance of shares exceeding 5% of the issued and outstanding shares of the Company, unless the Company has obtained disinterested shareholder approval to the grant. "**Disinterested shareholder approval**" means approval by a majority of the votes cast by the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Stock Option Plan and their associates and affiliates.

6. If any stock option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of that expired or terminated stock option shall again be available for the purposes of the Stock Option Plan.

7. The exercise price shall be the price per share, as determined by the Board in its sole discretion as of the date on which the Board grants a particular stock option (the "**Award Date**"), at which an option holder may purchase a share upon the exercise of a stock option. The exercise price shall not be less than the closing price of the Company's shares traded through the facilities of the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of a stock option held by an option holder who is an insider of the Company at the time of the proposed reduction will require disinterested shareholder approval.

8. The term of an option shall be the date so fixed by the Board at the time the particular stock option is awarded, provided that such date shall not be later than the 10th anniversary of the Award Date of the stock option.

9. The expiry date of a stock option shall be the earlier of the date so fixed by the Board at the time the stock option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "**Early Termination Date**"):

    (a) In the event that the option holder should die while he or she is still a director or officer or employee or consultant, the Early Termination Date shall be 12 months from the date of death of the option holder; or

    (b) In the event that the option holder holds his or her stock option as director or officer of the Company and such option holder ceases to be a director or officer of the Company other than by reason of death, the Early Termination Date of the stock option shall be the 90th day following the date the option holder ceases to be a director or officer of the Company, as the case may be; or

    (c) In the event that the option holder holds his or her stock option as an employee or consultant of the Company and such option holder ceases to be an employee or consultant of the Company other than by reason of death, the Early Termination Date of the stock option shall be the 90th day following the date the option holder ceases to be in that position.

10. Notwithstanding the foregoing, the Early Termination Date for stock options granted to any option holder engaged primarily to provide investor relations activities shall be the 30th day following the date that the option holder ceases to be employed in such capacity, unless the option holder continues to be engaged by the Company as an employee or director, in which case the Early Termination Date shall be determined as set forth above.

11. All stock options granted pursuant to the Stock Option Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. All stock options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the stock options vesting in any three month period.

12. If a change of control occurs, all shares subject to each outstanding stock option will become vested, subject to any required approval of the Exchange, whereupon all stock options may be exercised in whole or in part by the option holder.

13. Stock options may not be assigned or transferred.

14. If, prior to the complete exercise of any stock option, the shares of the Company are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for other shares of the Company, a stock option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of any stock option and accordingly, if as a result of the event, an option holder would become entitled to a fractional share, such option holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

15. The Company will obtain disinterested shareholder approval of options if the Stock Option Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares of the Company, however as long as the Company's common shares are listed on the NEX board of the Exchange, the maximum number of stock options that may be reserved for issuance in any 12 month period shall not exceed 10% of the issued and outstanding shares of the Company.

16. Subject to applicable regulatory approval and, if required by any relevant law, rule or regulation applicable to the Stock Option Plan, shareholder approval, the Board may from time to time amend the Stock Option Plan and the terms and conditions of any stock option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Stock Option Plan, or any stock option to be granted or for any other purpose, which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any stock option or impair any right of any option holder pursuant to any stock option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each stock option shall become vested with respect to shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Stock Option Plan or the shareholders.

17. Subject to applicable regulatory approval and, if required by any relevant law, rule or regulation applicable to the Stock Option Plan, shareholder approval, the Board may from time to time retrospectively amend the Stock Option Plan and, with the consent of the affected option holders, retrospectively amend the terms and conditions of any stock options, which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the exercise price of any stock option held by an insider of the Company.

18. The Board may terminate the Stock Option Plan at any time provided that such termination shall not alter the terms or conditions of any stock option or impair any right of any option holder pursuant to any stock option awarded prior to the date of such termination. Notwithstanding the termination of the Stock Option Plan, the Company, stock options awarded under the Stock Option Plan, option holders and shares issuable under stock options awarded under the Stock Option Plan shall continue to be governed by the provisions of the Stock Option Plan.

PENSION BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no compensatory plan, contract or arrangement where an NEO is entitled to receive more than $50,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment / consulting agreement with the Company, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Director Compensation Table

Name	Fees earned ($)	Share-based awards ($)	Option-based awards [2] ($)	Non-equity inventive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Randall Oliphant [1]	Nil	N/A	24,378	N/A	N/A	Nil	24,378
Lukas Lundin [1]	Nil	N/A	24,378	N/A	N/A	Nil	24,378
Douglas Hurst [1]	Nil	N/A	24,378	N/A	N/A	8,000 [3]	32,378
Blayne Johnson	Nil	N/A	24,378	N/A	N/A	103,000 [4]	127,378
Danny W.K. Lee [1]	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Crae M. Garrett [1]	Nil	N/A	Nil	N/A	N/A	Nil	Nil

Notes:

(1) On October 4, 2013, Mr. Danny Lee and Mr. Crae Garrett resigned as directors of the Company. On the same day, Mr. Randall Oliphant, Mr. Lukas Lundin, and Mr. Douglas Hurst were appointed as directors of the Company.

(2) The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements. The fair value of the option-based awards for 2013 was determined using the following assumptions: a five year term, a risk-free rate of 1.70%, no dividend payments, and a 100% volatility in the Company's share price.

(3) Effective September 1, 2013, the Company entered into a consulting agreement with Mr. Douglas Hurst for certain geological consulting services at a monthly fee of $2,000.

(4) Effective September 1, 2013, the Company entered into a consulting agreement with Mr. Blayne Johnson for acting as Executive Vice President at a monthly salary of $18,750. Also, on March 11, 2011, the Company entered into a consulting agreement with Featherstone pursuant to which Featherstone agreed to provide corporate development and financial advisory services to the Company. Featherstone is a company owned 50% by Mr. Johnson. The Company agreed to pay Featherstone a retainer of $7,000 per month. The agreement with Featherstone was terminated effective August 31, 2013. For the purposes of the above compensation table, the fees paid to Featherstone for each of the years represented have been allocated 50% to Mr. Johnson, being $28,000.

Narrative Discussion

The Company did not pay any director's fees during the year ended December 31, 2013. There is no formal policy for the granting of options to directors. Options may be granted from time to time upon the recommendation of the Compensation Committee.

On March 17, 2014, Mr. Raymond Threlkeld and the Company entered into an agreement for services as Non-Executive Chairman of the Board and as to receive a monthly fee of US $10,000, payable in cash. In event that, in the future, the Board, in its discretion, determines to award compensation to the directors of the Company and/or to the members of the committees of the Board, Mr. Threlkeld will also be entitled to receive such compensation.

On September 1, 2013, the Company entered into an employment agreement (the "**VP Agreement**") with Mr. Blayne Johnson, whereby the Company agreed to pay Mr. Johnson an annual fixed remuneration in the amount of $225,000, payable on a monthly basis for acting as the Company's Executive Vice President. Pursuant to the VP Agreement, Mr. Johnson is entitled to receive a performance related bonus on the same terms and conditions as other persons participating in any bonus plan that may be established and approved by the Board and Compensation Committee. Any bonus payable to Mr. Johnson will be at the sole discretion of the Board. No bonus payment was paid to Mr. Johnson for any of the financial years ending 2013, 2012 or 2011. The VP Agreement has a term of 2 years; however, the Company may terminate the VP Agreement at any time without cause on 90 days' written notice.

On September 1, 2013, the Company entered into a consulting agreement with Mr. Douglas Hurst ("**Hurst Agreement**"), whereby the Company agreed to pay Mr. Hurst a monthly consulting fee of $2,000 for geological consulting services. Pursuant to the Hurst Agreement, Mr. Hurst is entitled to receive a performance related bonus on the same terms and conditions as other persons participating in any bonus plan that may be established and approved by the Board and Compensation Committee. Any bonus payable to Mr. Hurst will be at the sole discretion of the Board. No bonus payment was paid to Mr. Hurst for any of the financial years ending 2013, 2012 or 2011. The Company may terminate the Hurst Agreement at any time by providing 60 days' written notice to Mr. Hurst.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

Outstanding Option-Based Awards and Share-Based Awards

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($) [1]**	**Option expiration date**	**Value of unexercised in-the-money options ($) [1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Randall Oliphant [2]	300,000	0.20	October 4, 2018	42,000	N/A	N/A	N/A
Lukas Lundin [2]	300,000	0.20	October 4, 2018	42,000	N/A	N/A	N/A
Douglas Hurst [2]	300,000	0.20	October 4, 2018	42,000	N/A	N/A	N/A

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($) [1]**	**Option expiration date**	**Value of unexercised in-the-money options ($) [1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Blayne Johnson	300,000 150,000 [3]	0.20 0.47	October 4, 2018 March 1, 2016	42,000 Nil	N/A	N/A	N/A
Danny W.K. Lee [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Crae M. Garrett [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2013 over the exercise price of the options. The market price for the Company's common shares on December 31, 2013 was $0.34.

(2) On October 4, 2013, Mr. Danny Lee and Mr. Crae Garrett resigned as directors of the Company. On the same day, Mr. Randall Oliphant, Mr. Lukas Lundin, and Mr. Douglas Hurst were appointed as directors of the Company.

(3) Featherstone is a company owned 50% by Mr. Blayne Johnson. Featherstone was granted 300,000 stock options exercisable at $0.47 per share and expiring on March 1, 2016. For the purposes of the above awards table, the options outstanding to Featherstone have been allocated 50% to Mr. Johnson.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	**Option-based awards - Value vested during the year ($) [1]**	**Share-based awards - Value vested during the year ($)**	**Non-equity incentive plan compensation - Value earned during the year ($)**
Randall Oliphant [2]	Nil	N/A	N/A
Lukas Lundin [2]	Nil	N/A	N/A
Douglas Hurst [2]	Nil	N/A	N/A
Blayne Johnson	Nil	N/A	N/A
Danny W.K. Lee [2]	N/A	N/A	N/A
Crae M. Garrett [2]	N/A	N/A	N/A

Note:

(1) This value is determined by calculating the difference between the market price of the underlying common shares on the vesting date and the exercise price of the options on the vesting date.

(2) On October 4, 2013, Mr. Danny Lee and Mr. Crae Garrett resigned as directors of the Company. On the same day, Mr. Randall Oliphant, Mr. Lukas Lundin, and Mr. Douglas Hurst were appointed as directors of the Company.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	2,300,000	$0.24	2,671,408
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	**2,300,000**	**$0.24**	**2,671,408**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

Other than as stated herein, no person who has been a director or executive officer of the Company since the beginning of the Company's last financial year or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting, other than the election of directors and the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or its subsidiaries.

APPOINTMENT OF AUDITOR

Management intends to nominate PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Edward Farrauto (Chair of the Audit Committee), Blayne Johnson, and Douglas Hurst.

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the current Audit Committee members, Edward Farrauto and Douglas Hurst are "independent" within the meaning of NI 52-110. Blayne Johnson is not an independent member of the Audit Committee as he is the Executive Vice President of the Company.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Based on their business and educational experiences, each audit committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Edward Farrauto

Edward Farrauto is a Certified General Accountant with over 20 years of experience as a senior financial officer in both private and public companies, including various directorships and working as a Chief Financial Officer for a number of publicly traded companies. His experience encompasses financial and regulatory compliance and public company management. Mr. Farrauto has been directly responsible for overseeing private placement financings, prospectus filings, reverse takeovers and merger and acquisition transactions.

Blayne Johnson

Blayne Johnson has served as a director of the Company since May 2004. Mr. Johnson has been involved in the investment community for over 28 years. As a Vice President of First Marathon Securities ("**First Marathon**") he played a key role in providing institutional financing to junior resource companies. During his tenure at First Marathon, First Marathon participated in over $5 billion of equity financings for natural resource companies. His work at First Marathon involved equity and debt financings as well as mergers and acquisitions. Mr. Johnson also advised institutional clients on investments. Since 1996 he has managed his own investment and real estate portfolios and has been an active investor in the mining and energy sectors. He is currently the Chairman of Featherstone Capital Advisors. He devotes approximately 80% of his time on our business.

Douglas Hurst

Douglas Hurst has a Bachelor of Science in geology from McMaster University. Mr. Hurst has over 25 years of experience in the mining industry having acted as contract geologist, but primarily as a mining analyst since 1987. He worked with McDermid St. Lawrence and Sprott Securities Inc. between 1987 and 1995. Mr. Hurst has also been on the boards of other junior mining companies and is presently the Chairman of Selkirk Power Company.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or

(a) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees billed by PricewaterhouseCoopers LLP, Chartered Accountants, to the Company and its subsidiaries for services rendered in the last two fiscal years:

	2013	**2012**
	($)	($)
Audit fees[(1)]	17,100	17,050
Audit related fees[(2)]	4,935	N/A
Tax fees[(3)]	N/A	N/A
All other fees[(4)]	N/A	N/A
Total	22,035	17,050

Notes:

(1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

(2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The corporate governance practices adopted by the Company are set out in the attached Schedule "B".

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Amendments to Stock Option Plan

The Board is seeking shareholder approval to certain amendments (the "Amendments") to the Company's Stock Option Plan, as more particularly described below. The Board has approved the Amendments to the Stock Option Plan, subject to Exchange and shareholder approvals. A copy of the Stock Option Plan, which includes the proposed Amendments, is attached as Schedule "C" to this Circular.

The Stock Option Plan was initially approved by the shareholders of the Company at the annual general meeting held on May 15, 2012. The Stock Option Plan is a "fixed plan" and is therefore not subject to annual shareholder approval pursuant to Exchange policy.

Pursuant to the terms of the Stock Option Plan, subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Stock Option Plan, to shareholder approval, the Board may from time to time amend the Stock Option Plan and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Stock Option Plan, any option or the shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to such amendment. Further, any substantive amendments to the Stock Option Plan shall

be subject to the Company first obtaining the approvals of the shareholders of the Company at a general meeting and the Exchange.

The following is a summary of the material Amendments to the Stock Option Plan, which is qualified, in its entirety, by the terms of the Stock Option Plan. Capitalized terms not otherwise defined have the meanings defined in the Stock Option Plan.

Amendments to Change of Control Provisions

The Board considers it in the Company's best interests to have additional flexibility to deal with options in the event of a change of control and to clarify the circumstances the Company can exercise this additional flexibility. The Company proposes the following language as a new Article 4 - *Change of Control Events* of the Stock Option Plan.

"Article 4 - CHANGE OF CONTROL

4.1 Change of Control Event

If at any time when an Option granted under this Plan remains unexercised with respect to any Shares and:

(a) a Person makes an offer to acquire Shares that, regardless of whether the acquisition is completed, would make the Person an Acquiring Person;

(b) an Acquiring Person makes an offer, regardless of whether the acquisition is completed to acquire Shares;

(c) the Company proposes to sell all or substantially all of its assets and undertakings;

(d) the Company proposes to merge, amalgamate or be absorbed by or into any other corporation (save and except for a Subsidiary) under any circumstances which involve or may involve or require the liquidation of the Company, a distribution of its assets among its shareholders, or the termination of the corporate existence of the Company;

(e) the Company proposes an arrangement as a result of which a majority of the outstanding Shares of the Company would be acquired by a third party; or

(f) any other form of transaction is proposed which the majority of the Board determines is reasonably likely to have similar effect any of the foregoing

each a ("**Change of Control Event**") then, in connection with of and of the foregoing Change of Control Events, the vesting of all Options and the time for the fulfillment of any conditions or restrictions on such vesting shall be accelerated to a date or time immediately prior to the Effective Time of the Change of Control Event and the Board, in its sole discretion may authorize and implement any one or more of the following additional courses of action:

(i) terminating without any payment or other consideration, any Options not exercised or surrendered by the Effective Time of the Change of Control Event;

(ii) causing the Company to offer to acquire from each Option Holder his or her Options for a cash payment equal to the In the Money Amount, and any Options not so surrendered or exercised by the Effective Time of the Change of Control Event will be deemed to have expired; and

(iii) an Option granted under this Plan be exchanged for an option to acquire for the same exercise price, that number and type of securities as would be distributed to the Option Holder in respect of the Shares issued to the Option Holder had he or she exercised the Option prior to the Effective Time of the Change of Control Event, provided that any such replacement option must provide that it survives for a period of not less than one year from the Effective Time of the Change of Control Event, regardless of the continuing directorship, officership or employment of the holder.

4.2 Board Discretion

For greater certainty, and notwithstanding anything else to the contrary contained in this Plan, the Board shall have the power, in its sole discretion, in any Change of Control Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding Options including without limitation, to modify the terms of this Plan and/or the Options as contemplated above. If the Board exercises such power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Option Holder at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Change of Control Event.

The Company has also added or amended, as applicable, certain definitions contained in Article 1 of the Stock Option Plan, namely, the definition of “Acquiring Person”, “Effective Time”, “Exchange Share”, “Exchanged Share Price”, “In the Money Amount”, “Person” and “Subsidiary”. Further, Sections 3.4 and 3.5 of the Stock Option Plan have been amended so that the Expiry Date of an Option is also subject to Article 4.

In addition, the following sections of the current Stock Option Plan will be deleted in their entirety:

(a) Section 3.7 of the Stock Option Plan, which provides for the effects of a take-over bid. This section provides that if an Offer is made to an option holder or to shareholders of the Company generally or to a class of shareholders which includes the option holder, which Offer would result in the offeror becoming a control person of the Company, all shares subject to options will become vested and the options may be exercised in whole or in part by each option holder so as to permit each option holder to tender the shares received upon exercise of his options.

(b) Section 3.8 of the Stock Option Plan, which provides for acceleration of the expiry date of options. This section provides that if at any time when an option granted under the Stock Option Plan remains unexercised an Offer is made by an offeror, the Board may declare vested all shares issuable upon the exercise of options granted under the Stock Option Plan and declare that the Expiry Date for the exercise of all unexercised options granted under the Stock Option Plan is accelerated so that all options will either be exercised or will expire prior to the date upon which shares must be tendered pursuant to the Offer.

(c) Section 3.9 of the Stock Option Plan, which provides for the effects of reorganization, amalgamation or merger. This section provides that if the Company is reorganized, amalgamated or merges with or into another company any shares receivable on the exercise of an option shall be converted into the securities, property or cash which the option holder would have received upon such reorganization, amalgamation or merger if the option holder had exercised his option immediately prior to the record date applicable to such reorganisation, amalgamation or merger, and the exercise price shall be adjusted accordingly by the Board.

(d) Section 3.10 of the Stock Option Plan, which provides for the effects of a change of control. This section provides that if a Change of Control occurs, all shares subject to each outstanding option will become vested, subject to any required approval of the Exchange, whereupon all options may be exercised in whole or in part by the option holder.

Blackout Period

The Board has amended Article 3 of the Stock Option Plan to provide that the Company may from time to time impose trading blackouts during which directors, employees, or consultants may not trade in the securities of the Company. If a trading blackout is imposed, subject to the terms of the blackout and the Company's blackout policy, option holders may not exercise options until expiry of the blackout period. As a result of the foregoing limitation, the term of any option that would otherwise expire during a blackout period will be extended by three (3) business days following the expiry of such blackout period.

Stock Appreciation Rights

Provided that the Company is listed as a Tier 1 Issuer on the Exchange, then any option granted under the Stock Option Plan may include a stock appreciation right, either at the time of grant or by adding it to an existing option, subject to such grant being in compliance with all applicable regulations and policies of any regulatory authority or stock exchange applicable to the Company's shares then in effect. No stock appreciation rights may be granted on any date which would cause the total number of shares issuable under outstanding options which include a stock appreciation right to exceed 1,030,000, which represents approximately 2% of the Company's issued and outstanding shares as of the date of the New Stock Option Plan. A holder of stock options which have SARs attached will be entitled to receive upon surrender of the stock options an amount equal to the excess, if any, of the aggregate fair market value of the Company's shares, which will be the market price of the Company's shares on the Exchange, multiplied by the number of stock options surrendered, less the aggregate purchase price of the stock options surrendered

Approvals Required for Plan

The Plan will be subject to approval by the Exchange. The Board wishes to affix a maximum number of options allowable to be granted under this plan, being a fixed plan; the Board recommends to delete the reference to the requirement to obtain disinterested shareholder approval of options if the Stock Option Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares of the Company.

Other Non-Material Changes

The Board has made certain additional changes to the Stock Option Plan of housekeeping nature, including updating, amending, and expanding on definitions and also the removal of references made to the Company's listing on the NEX (the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange Tier Maintenance Requirements for Tier 2 issuers may continue to trade) which no longer applies.

Shareholder Approval Requirements

To be effective, the Amendments to the Stock Option Plan require approval by an ordinary resolution passed by the shareholders of the Company at a general meeting. An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Accordingly, at the Meeting, the shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, an ordinary resolution as follows:

"**IT IS RESOLVED, as an ordinary resolution that:**

(a) Each of the Amendments to the Company's Stock Option Plan, a copy of which is attached as Schedule "C" to the Company's information circular dated June 4, 2014, be and is hereby approved;

(b) The board of directors of the Company be authorized to make any changes to the Company's Stock Option Plan as may be required by the TSX Venture Exchange;

(c) Notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or notice to the shareholders of the Company, to revoke this ordinary resolution at any time prior to give effect to the amendments to the Company's Stock Option Plan; and

(d) Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions."

The Board has determined that the Amendments to the Stock Option Plan are in the best interests of the Company and its shareholders, and unanimously recommends that shareholders vote in favour of the resolution approving the Amendments to the Stock Option Plan. In the absence of contrary directions, the management designees of the Company intend to vote proxies in the accompanying Proxy in favour of the ordinary resolution approving the Amendments to the Stock Option Plan. If approved by the Company's shareholders at the Meeting, the Amendments to the Stock Option Plan will take effect upon approval by the Exchange. If the Amendments to the Stock Option Plan are not approved by the Company's shareholders, then the current Stock Option Plan will continue unamended.

Approval of a Further Amendment to Stock Option Plan

Under the Stock Option Plan, the maximum aggregate number of shares that may be issued upon the exercise of options granted under Stock Option Plan is 5,371,408 common shares. As at June 4, 2014, the Company has granted 3,600,000 options (with 400,000 of these options being exercised) and 1,771,408 options remain available for grant. Accordingly, the Board has determined that it is appropriate to approve a further amendment to the Stock Option Plan (the "**Additional Amendment**") to increase the

maximum number of shares that may be issued upon exercise of stock options from 5,371,408 common shares to 10,000,000 common shares, representing approximately 19% of the Company's current issued and outstanding common shares.

Shareholder Approval Requirements

Pursuant to the policies of the Exchange, the ordinary resolution approving the Additional Amendment must be passed by a majority of the votes cast by disinterested shareholders present in person or by proxy at the Meeting excluding the votes attached to shares beneficially owned by insiders to whom options may be issued under the Company's stock option plan and their associates. Based on the present shareholdings of the insiders and their associates, a total of up to 29,111,811 common shares will be excluded from voting on the resolution to approve the Additional Amendment.

Accordingly, at the Meeting, the Company's disinterested shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, an ordinary resolution as follows:

"**IT IS RESOLVED, as an ordinary resolution**, with all insiders and their associates abstaining from voting, that, subject to Exchange acceptance:

(a) The Company's board of directors be authorized to increase the maximum number of common shares that may be issued upon exercise of options granted under the Stock Option Plan from 5,371,408 common shares to 10,000,000 common shares, representing approximately 19% of the Company's current issued and outstanding common shares and that all previous stock option grants are ratified and approved;

(b) The board of directors of the Company be authorized to make any changes to the Stock Option Plan as may be required by the TSX Venture Exchange;

(c) Notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or notice to the shareholders of the Company, to revoke this ordinary resolution at any time prior to giving effect to the amendment to the Stock Option Plan; and

(d) Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to five effect to the foregoing resolutions."

The Board has determined that the Additional Amendment is in the best interests of the Company and its shareholders, and unanimously recommends that shareholders vote in favour of the resolution approving the Additional Amendment. In the absence of contrary directions, the management designees of the Company intend to vote proxies in the accompanying Proxy in favour of the ordinary resolution approving the Additional Amendment. If approved by the Company's disinterested shareholders at the Meeting, the Additional Amendment to the Stock Option Plan will take effect upon approval by the Exchange. If the Additional Amendment is not approved by disinterested shareholders, at the Meeting, the maximum aggregate number of shares that may be issued upon the exercise of options granted under the Stock Option Plan will remain at 5,371,408 common shares.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2013, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 3244 – 1055 Dunsmuir Street, Vancouver, B.C. Canada V7X 1L3, or telephone: (604) 559-8040.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 4th day of June, 2014.

ON BEHALF OF THE BOARD

(signed) *"Douglas B. Forster"*

Douglas B. Forster
Chief Executive Officer and President

NEWMARKET GOLD INC.

Schedule "A"
Audit Committee Charter

The Board believes that Committees of the Board assist in the effective functioning of the Board.

The Board may, from time to time, designate one or more Committees, each Committee to consist of one or more of the directors of the Company to serve at the pleasure of the Board. Any such Committee may exercise all of the powers and authority of the Board, as have been delegated by the Board, in the management of the business and affairs of the Company and may authorize the seal of the Company to be affixed to all papers which may require it.

The Audit Committee is a committee of the Board to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits. The duties and responsibilities of the Audit Committee are set out below:

Audit Committee Charter

The audit committee will:

(a) review and approve the following for filing on SEDAR:

  (i) the interim financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;

  (ii) the auditor's report, if any, prepared in relation to those financial statements,

(b) review and recommend for approval to the board of directors the following:

  (i) the annual financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;

  (ii) the auditor's report prepared in relation to those financial statements

(c) recommend to the board of directors:

  (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

  (ii) the compensation of the external auditor,

(d) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,

(e) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,

(f) monitor the management of the principal risks that could impact the financial reporting of the Company,

(g) establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,

(h) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,

(i) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and

(j) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

COMPOSITION OF THE COMMITTEE

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

AUTHORITY

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

REPORTING

The reporting obligations of the committee will include:

(a) reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and

(b) reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

NEWMARKET GOLD INC.

Schedule "B"
Corporate Governance Practices

Board of Directors

Management is nominating seven individuals to the Board, all of whom are current directors of the Company.

The Board is responsible for determining whether or not each director is independent. This assessment is made in accordance with standards of the Canadian Securities Administrators in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and the Guidelines. With the assistance of the Corporate Governance Committee, the Board reviews each director's independence annually and upon the appointment or election of a new director. As a result, the Board has concluded that all of the current members of the Board are considered "independent", except for Douglas B. Forster, who is the President and CEO of the Company, and Blayne Johnson, who is the Executive Vice President of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an audit committee, the compensation committee and the corporate governance committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the "**Act**") is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

Directorships

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

Name of Director	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Raymond Threlkeld	New Gold Inc.	TSX, NYSE	Director	June 2009 to present
Douglas B. Forster	Calibre Mining Corp.	TSXV	Director	December 2003 to present
	Edgewater Exploration Ltd.	TSXV	Director	March 2011 to present
	Pinecrest Resources Ltd.	TSXV	Director	June 2010 to present
Blayne Johnson	Edgewater Exploration Ltd.	TSXV	Director	October 2010 to present
	Calibre Mining Corp.	TSXV	Director	May 2005 to present
	Pinecrest Resources Ltd.	TSXV	Director	May 2012 to present
Douglas Hurst	Invenio Resources Corp.	TSX	Director	December 2003 to present
Lukas Lundin	Denison Mines Corp.	TSX	Chairman Director	March 1998 to present May 1997 to present
	Fortress Minerals Corp.	NEX	President/Director	May 2008 to present
	Lucara Diamond Corp.	TSX	Chairman Director	July 2009 to present April 2007 to present
	Lundin Mining Corporation	TSX	Chairman Director	October 2006 to present September 1994 to present
	Lundin Petroleum AB	TSX	Director	2001 to present
	NGEx Resources Inc. (formerly, Canadian Gold Hunter Corp.)	TSX	Chairman Director	September 2002 to present October 1995 to present
	Sirocco Mining Inc. (formerly, Atacama Minerals Corp.)	TSX-V	Chairman Director	June 2006 to January 31, 2014 August 1996 to January 31, 2014
Randall Oliphant	New Gold Inc.	TSX, NYSE	Executive Chairman and Director	June 2009 to present
	Western Zagros Resources Ltd.	TSX-V	Director	October 2007 to present
	Franco – Nevada Corporation	TSX, NYSE	Director	November 2007 to present
Edward Farrauto	Edgewater Exploration Ltd.	TSXV	CFO	June 2007 to present
	Pinecrest Resources Ltd.	TSXV	Director, CEO	January 2010 to present
	Calibre Mining Corp.	TSXV	Director	December 2003 to March 2005 & May 2015 to present

Orientation and Continuing Education

The Board's practice is to recruit for the Board persons with extensive experience in the mining and mining exploration business and in public company matters. Prospective new board members are provided a reasonably detailed level of background information (verbal and documentary) on the Company's affairs and plan prior to obtaining their consent to act as a director and will include meeting Senior Management and may include a tour the Company's offices and projects, as required.

The Corporate Governance Committee is charged with overseeing orientation and continuing education programs for new and current directors.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board has not adopted a formal process in respect to selecting new nominees to the Board. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board, and the recruitment process would involve both formal and informal discussions among Board members and the CEO.

Compensation Committee

The Compensation Committee is a committee comprised of at least three independent directors whose primary purpose is to make recommendations and review compensation issues with particular reference to: compensation philosophy and policies, competitive positioning, annual performance reviews for executive officers, short and long term payments and awards to senior officers and directors, succession planning, and training.

Members of the Compensation Committee shall be appointed or reappointed at the meeting of the Board following the Company's annual general meeting and from among the appointees to the Compensation Committee, the Board shall appoint a chairperson (the "**Compensation Committee Chairperson**"). The duties of the Compensation Committee Chairperson include overseeing the proper functioning of the Compensation Committee to ensure the proper discharge of its duties, to schedule meetings and to ensure timely reporting to the Board. The Compensation Committee will meet as often as may be necessary or appropriate in its judgment.

In exercising its mandate, the Compensation Committee sets the standards for the compensation of directors, employees and officers based on industry data and with the goal to attract, retain and motivate key persons to ensure the long term success of the Company. Compensation generally includes the three following components: base salary or management fee arrangement and benefits, a short-term incentive program in the form of bonuses and long-term incentives in the form of incentive stock options. The Compensation Committee takes into account the North American context of its activities and increased competition in the market for its key personnel while also taking into account the performance and objectives set forth for the Company.

The Compensation Committee is accountable to the Board and reports to the Board at its next regular meeting all deliberations and actions it has taken since any previous report. Minutes of Compensation Committee meetings will be available for review by any member of the Board on request to the Compensation Committee Chairperson. The members of the Compensation Committee are Douglas Hurst (Chairman), Raymond Threlkeld and Edward Farrauto.

Each of the Compensation Committee members has significant experience in executive compensation matters due to each of their exposures to a variety of executive compensation practices adopted by companies at which such Compensation Committee members have previously served as a director or officer.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to monitor and to generally be responsible for developing the Company's governance and human resources policies and guidelines relating to corporate governance and human resources and overseeing their implementation and administration.

Annually, following the annual general meeting of the Company, the Board elects from its members, directors and officers, to serve on the Corporate Governance Committee. Each member holds office until the close of the next annual general meeting of the Company or until the member resigns or is replaced, whichever first occurs. The Board appoints one of the directors on the Corporate Governance Committee as the chairperson, whose duties include overseeing the proper functioning of the Corporate Governance Committee to ensure the proper discharge of its duties, to schedule meetings and to ensure timely reporting to the Board.

The Corporate Governance Committee meets as often as may be necessary and may call special meetings as required. The members of the Corporate Governance Committee are Edward Farrauto (Chairman), Blayne Johnson, and Douglas Hurst.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

NEWMARKET GOLD INC.

Schedule "C"
Stock Option Plan

[See Attached]

NEWMARKET GOLD INC.

STOCK OPTION PLAN

Dated June 2, 2014

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STOCK OPTION PLAN
NEWMARKET GOLD INC.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

i. "**Acquiring Person**" means, any Person who is the beneficial owner of twenty percent (20%) or more of the outstanding Shares of the Company;

ii. "**Administrator**" means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

iii. "**Affiliate**" has the meaning ascribed to such term in the Exchange Corporate Finance Manual;

iv. "**Associate**" has the meaning ascribed to such term in the Securities Act;

v. "**Award Date**" means the date on which the Board grants a particular Option;

vi. "**Board**" means the board of directors of the Company;

vii. "**Broker**" has the meaning ascribed to it in paragraph 7.3;

viii. "**Change of Control Event**" has the meaning ascribed to it in paragraph 4.1;

ix. "**Company**" means Newmarket Gold Inc.;

x. "**Consultant**" means an individual or Consultant Company, other than an Employee or a Director, that:

1. is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,

2. provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

3. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and

4. has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

xi. "**Consultant Company**" means, for an individual consultant, a company which the individual consultant is an employee or shareholder;

xii. "**Director**" means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;

xiii. "**Discounted Market Price**" has the meaning ascribed to such term in the Exchange Corporate Finance Manual;

xiv. "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;

xv. "**Early Termination Date**" has the meaning ascribed to it in paragraph 3.5;

xvi. "**Effective Time**" means, in relation to a Change of Control Event, the time at which the Change of Control Event is, or is deemed to have been, completed;

xvii. "**Employee**" means:

1. an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

2. an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or

3. an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

xviii. "**Exchange**" means the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;

xix. "**Exchange Corporate Finance Manual**" means the corporate finance manual published by the Exchange, as amended from time to time, or if the Shares are no longer listed for trading on the Exchange, the policies of such other exchange or quotation system on which the Shares are listed or quoted for trading;

xx. "**Exchanged Share**" means a security that is exchanged for a Share in a Change of Control Event;

xxi. "**Exchanged Share Price**" means the product of the Share to Exchanged Share ratio multiplied by the five day volume weighted average price of the Exchanged Shares on an exchange for the period ending one day prior to the Effective Time of the Change of Control Event, or, in the case of Exchanged Shares that are not listed or quoted for trading, the fair value of those Exchanged Shares, as determined by the Board as of the day immediately preceding the Effective Time of the Change of Control Event;

xxii. "**Exercise Notice**" means the notice respecting the exercise of an Option in the form set out as Schedule "B" hereto, duly executed by the Option Holder;

xxiii. "**Exercise Period**" means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;

xxiv. "**Exercise Price**" means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;

xxv. "**Expiry Date**" means the date determined in accordance with paragraph 3.4 and after which a particular Option cannot be exercised;

xxvi. "**In the Money Amount**" means: (a) in the case of a Change of Control Event in which the holders of Shares will receive only cash consideration, the difference between the Exercise Price and the cash consideration paid per Share pursuant to that Change of Control Event; (b) in the case of a Change of Control Event in which the holders of Shares will receive Exchanged Shares, the difference between the Exercise Price and the Exchanged Share Price; or (c) in the case of a Change of Control Event in which the holders of Shares will receive cash consideration and Exchanged Shares, the difference between the Exercise Price and the sum of the cash consideration paid per Share plus the Exchanged Share Price;

xxvii. "**Insider**" has the meaning ascribed to such term in the Securities Act;

xxviii. "**Investor Relations Activities**" has the meaning ascribed to such term in the Securities Act;

xxix. "**Management Company Employee**" means an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person involved in Investor Relations Activities;

xxx. "**Market Price**" has the meaning ascribed to such term in the Exchange Corporate Finance Manual;

xxxi. "**Option**" means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;

xxxii. "**Option Certificate**" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option;

xxxiii. "**Option Holder**" means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

xxxiv. "**Person**" means any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, joint stock company, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association, syndicate, joint venture or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar extended meaning;

xxxv. "**Personal Representative**" means:

1. in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and

2. in the case of an Option Holder who for any reason is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Option Holder;

xxxvi. "**Plan**" means this stock option plan;

xxxvii. "**Securities Act**" means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof;

xxxviii. "**Settlement Amount**" has the meaning ascribed to it in paragraph 6.4;

xxxix. "**Share**" or "**Shares**" means, as the case may be, one or more common shares without par value in the capital of the Company; and

xl. "**Subsidiary**" means any corporation which is a subsidiary, as such term is defined in Subsection 1(1) of the Securities Act.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan are to be interpreted and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

2.
PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

i. the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;

ii. the length of time that the Employee or Consultant has been employed or engaged by the Company;

iii. the quality of work performed by the Employee or Consultant; and

iv. any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

3.
TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10,000,000 Shares of the Company. Additionally, the Company shall not grant Options:

i. to any one Person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant;

ii. to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or

iii. in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan. Exercised Options reduce the number of Options available under this Plan.

3.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall be set at a minimum of the closing price of the Company's Shares traded through the facilities of the Exchange on the day preceding the Award Date, or such other price as may be required by the Exchange. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

3.4 Term of Option

Subject to paragraph 3.5 and Article 4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

3.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. -Subject to Article 4, the Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "**Early Termination Date**"):

iv. Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve months from the date of death of the Option Holder;

v. Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 90th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but

continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

1. ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia);

2. a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such; or

3. by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.;

vi. Ceasing to be an Employee or a Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 90th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

1. termination for cause or, in the case of a Consultant, breach of contract; or

2. by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

3.6 Blackout Period

The Company may from time to time impose trading blackouts during which Directors, Consultants or Employees may not trade in the securities of the Company. If a trading blackout

is imposed, subject to the terms of the blackout and the Company's blackout policy, Option Holders may not exercise Options until expiry of the blackout period.

As a result of the foregoing limitation, the term of any Option that would otherwise expire during a blackout period will be extended by three (3) business days following the expiry of such blackout period.

3.7 Hold Period and Vesting Requirements

The Company may grant Options without an Exchange hold period provided the Exercise Price of an Option is greater than or equal to the Market Price rather than the Discounted Market Price.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be imposed by the Board. The Option Certificate representing any such Option will disclose any vesting conditions. Notwithstanding the foregoing, Options issued to Consultants performing Investor Relations Activities will vest in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.

3.8 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 5.1, exercise the Option within the Exercise Period.

3.9 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "**Event**") other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

3.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

4.
CHANGE OF CONTROL

4.1 Change of Control Event

If at any time when an Option granted under this Plan remains unexercised with respect to any Shares and:

i. a Person makes an offer to acquire Shares that, regardless of whether the acquisition is completed, would make the Person an Acquiring Person;

ii. an Acquiring Person makes an offer, regardless of whether the acquisition is completed, to acquire Shares;

iii. the Company proposes to sell all or substantially all of its assets and undertakings;

iv. the Company proposes to merge, amalgamate or be absorbed by or into any other corporation (save and except for a Subsidiary) under any circumstances which involve or may involve or require the liquidation of the Company, a distribution of its assets among its shareholders, or the termination of the corporate existence of the Company;

v. the Company proposes an arrangement as a result of which a majority of the outstanding Shares of the Company would be acquired by a third party; or

vi. any other form of transaction is proposed which the majority of the Board determines is reasonably likely to have similar effect any of the foregoing

(each a "**Change of Control Event**"), then, in connection with of any of the foregoing Change of Control Events, the vesting of all Options and the time for the fulfilment of any conditions or restrictions on such vesting shall be accelerated to a date or time immediately prior to the Effective Time of the Change of Control Event and the Board, in its sole discretion, may authorize and implement any one or more of the following additional courses of action:

1. terminating without any payment or other consideration, any Options not exercised or surrendered by the Effective Time of the Change of Control Event;

2. causing the Company to offer to acquire from each Option Holder his or her Options for a cash payment equal to the In the Money Amount, and any Options not so surrendered or exercised by the Effective Time of the Change of Control Event will be deemed to have expired; and

3. an Option granted under this Plan be exchanged for an option to acquire, for the same exercise price, that number and type of securities as would be distributed to the Option Holder in respect of the Shares

issued to the Option Holder had he or she exercised the Option prior to the Effective Time of the Change of Control Event, provided that any such replacement option must provide that it survives for a period of not less than one year from the Effective Time of the Change of Control Event, regardless of the continuing directorship, officership or employment of the holder.

4.2 Board Discretion

For greater certainty, and notwithstanding anything else to the contrary contained in this Plan, the Board shall have the power, in its sole discretion, in any Change of Control Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding Options including, without limitation, to modify the terms of this Plan and/or the Options as contemplated above. If the Board exercises such power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Option Holder at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Change of Control Event.

5.
EXERCISE OF OPTION

5.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

5.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

5.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report

and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

6.
STOCK APPRECIATION RIGHTS

6.1 Stock Appreciation Rights

Provided that the Company is listed as a Tier 1 Issuer on the Exchange then any Option granted under the Plan may include a stock appreciation right, either at the time of grant or by adding it to an existing Option; subject, however, to the grant of such stock appreciation right being in compliance with all applicable regulations and policies of any regulatory authority or stock exchange applicable to the Company's Shares then in effect.

6.2 Limitation

No stock appreciation rights granted pursuant to this Plan may be granted on any date which would cause the total number of Shares issuable under outstanding Options which include a stock appreciation right to exceed 1,030,000 which represents approximately 2% of the Company's issued and outstanding as of the date of the Plan.

6.3 Stock Appreciation Rights Tied to Options

Stock appreciation rights which may be granted pursuant to this Plan shall be exercisable to the extent, and only to the extent, the Option with which it is included is exercisable. To the extent that a stock appreciation right included in or attached to an Option granted hereunder is exercised, the Option to which it is included or attached shall be deemed to have been exercised to a similar extent.

6.4 Terms of Stock Appreciation Rights

A stock appreciation right granted pursuant to this Plan may, at the discretion of the Board, entitle the Option Holder to elect to surrender to the Company, unexercised, the vested and exercisable portion of such Option on the date of surrender to which it is included, or any portion thereof, in consideration of the receipt by the Option Holder of an amount (the "**Settlement Amount**") equal to the excess, if any, of the aggregate fair market value of the Shares (which shall be determined, unless otherwise specified or permitted by applicable regulatory policies, based on the Market Price immediately preceding the date the notice provided for in paragraph 5.1 hereof is received by the Company, on the Exchange (or, if the Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Shares are listed or quoted for trading)) eligible to be purchased pursuant to the vested and exercisable portion of such Option on the date of surrender, over the aggregate exercise price for the Shares pursuant to such Option.

In no circumstances will the Option Holder at any time be obligated to surrender Options as provided by any stock appreciation right. The Board may, in its sole discretion, refuse to accept the surrender of unexercised Options pursuant to the foregoing stock appreciation rights and if any such surrender is not accepted by the Board or completed for any reason, the notice pursuant

to paragraph 5.1 shall be deemed to be withdrawn and the Options in respect of which such notice was provided shall again become subject to their original terms as if such notice of surrender had not been provided.

6.5 Exercise of Stock Appreciation Rights

Subject to the provisions of the Plan, a stock appreciation right granted hereunder may be exercised from time to time by delivering to the Company the Exercise Notice.

7. ADMINISTRATION

7.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

7.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any Person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such Person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

7.3 Withholding

The Company may withhold from any amount payable to an Option Holder, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to grants hereunder (the "**Withholding Obligations**"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Option Holder such number of Shares issued to the Option Holder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Option Holder hereunder.

The Company may require an Option Holder, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations with respect to such exercise, including, without limitation, requiring the Option Holder to: (i) remit the amount of any such Withholding Obligations to the Company in

advance; (ii) reimburse the Company for any such Withholding Obligations; (iii) authorize the Company to sell, on behalf of the Option Holder, all of the Shares issuable upon exercise of such Options or such number of Shares as is required to satisfy the Withholding Obligations and to retain such portion of the net proceeds (after payment of applicable commissions and expenses) from such sale the amount required to satisfy any such Withholding Obligations; or (iv) cause a broker who sells Shares acquired by the Option Holder under the Plan on behalf of the Option Holder to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company. The Company undertakes to remit any such amount to the applicable taxation or regulatory authority on account of such Withholding Obligations.

Any Shares of an Option Holder that are sold by the Company, or by a broker engaged by the Company (the "**Broker**"), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the Exchange or such other stock exchange where the majority of the trading volume and value of the Shares occurs. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any Shares to an Option Holder. The sale price of Shares sold on behalf of Option Holders will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

8.
AMENDMENT AND TERMINATION

8.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

8.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and

conditions of any Options which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the Exercise Price of any Option held by an insider of the Company.

8.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

8.4 Agreement

The Company and every Person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

8.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

8.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

8.7 No Representation or Warranty

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

8.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

9.
APPROVALS REQUIRED FOR PLAN

9.1 Approvals Required for Plan

Prior to its implementation by the Company, the Plan is subject to approval by the Exchange.

9.2 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

i. the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and

ii. the Exchange or any stock exchange on which the Shares may be listed for trading.

Approved by the directors on June 4, 2014.

ON BEHALF OF THE BOARD OF
NEWMARKET GOLD INC.

_____

Paulo Santos
Chief Financial Officer

SCHEDULE "A"
NEWMARKET GOLD INC.
STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the Newmarket Gold Inc. (the "**Company**") Stock Option Plan (the "**Plan**") and evidences that **<@>** (the "**Option Holder**") is the holder of an option (the "**Option**") to purchase up to <@> common shares (the "**Shares**") in the capital stock of the Company at a purchase price of $<@> per Share. Subject to the provisions of the Plan:

(c) the Award Date of this Option is <@>; and

iv. the Expiry Date of this Option is <@>.

The right to purchase Shares under the Option will vest in the Holder in <@> increments over the term of the Option as follows:

Dates	**Cumulative Number of Shares which may be Purchased**

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Newmarket Gold Inc." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised. If the Option Holder is an employee, consultant or management company employee, the Option Holder confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this <@> day of <@>, _____.

NEWMARKET GOLD INC.

Per: _____
Authorized Signatory

SCHEDULE "B"
EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
Newmarket Gold Inc.
Suite 3244 – 1055 Dunsmuir Street, PO Box 49282
Vancouver, British Columbia, V7X 1L3

1. Exercise of Option

The undersigned hereby irrevocably gives notice, pursuant to the Newmarket Gold Inc. (the "**Company**") Stock Option Plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or

(b) _____ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

(a) number of Shares to be acquired on exercise: _____ shares

(b) times the Exercise Price per Share: $_____

Total Exercise Price, as enclosed herewith: $_____

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of $_____, payable to "Newmarket Gold Inc." in an amount equal to the total Exercise Price of the Shares, as calculated above, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

_____

_____

_____

_____

OR

1. Exercise of Stock Appreciation Right

The undersigned hereby irrevocably gives notice of the exercise of the stock appreciation right provided under the Plan and accordingly wishes to receive such Settlement Amount as calculated in accordance with the Plan. As consideration for the Settlement Amount, the undersigned hereby agrees to cancel (cross out inapplicable item):

(a) all of the Shares which are the subject of the option certificate attached hereto; or

(b) _____ of the Shares which are the subject of the option certificate attached hereto.

The Company is directed to make payment of the Settlement Amount, as the case may be, in the name of the undersigned for mailing at the following address:

_____

_____

_____

_____

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in the Plan.

DATED the _____ day of _____.

_____	_____
Witness	Signature of Option Holder
_____	_____
Name of Witness (Print)	Name of Option Holder (Print)