

NOTICE OF ANNUAL GENERAL MEETING
AND MANAGEMENT INFORMATION CIRCULAR

Time: November 25, 2015, at 12:00 p.m. (Vancouver time)

Place: 1000 - 925 West Georgia Street
Vancouver, British Columbia
Canada

These materials are important and require your immediate attention. They require Shareholders of Brazil Resources Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your shares, please contact Computershare Investor Services Inc. at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 25, 2015

TO: The Shareholders of Brazil Resources Inc.

NOTICE IS HEREBY GIVEN that the annual general meeting of Shareholders of Brazil Resources Inc. (the "**Corporation**") will be held at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, on Wednesday, November 25, 2015, at 12:00 p.m. (Vancouver time) (the "**Meeting**"), for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended November 30, 2014, together with the report of the auditors thereon;

2. to elect directors of the Corporation for the ensuing year;

3. to reappoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

4. to consider and, if thought appropriate, approve an ordinary resolution, substantially in the form set out in the accompanying Management Information Circular prepared for the purposes of the Meeting, relating to the renewal of the amended and restated stock option plan (the "**Option Plan**") of the Corporation on the terms and conditions of the Option Plan as set out in Schedule "A" of the accompanying Management Information Circular; and

5. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Meeting is the Management Information Circular and a form of proxy.

Registered Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the Management Information Circular accompanying this Notice of Meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 by 12:00 p.m. (Vancouver time) on November 23, 2015 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Vancouver, British Columbia, this 5th day of October, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Amir Adnani
Amir Adnani
Chairman

If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

MANAGEMENT INFORMATION CIRCULAR

October 5, 2015

This Management Information Circular ("**Circular**") is being furnished to holders ("**Shareholders**") of common shares in the capital of Brazil Resources Inc. (the "**Corporation**") in connection with the solicitation of proxies by the board of directors and management of the Corporation for use at the annual general meeting to be held at 12:00 p.m. (Vancouver time) on Wednesday, November 25, 2015 at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, and any adjournment(s) or postponement(s) thereof (the "**Meeting**") for the purposes set forth in the Notice of Meeting dated October 5, 2015 (the "**Notice of Meeting**"), which accompanies and is part of this Circular.

The Notice of Meeting, form of proxy, supplemental mailing card and this Circular will be mailed to Shareholders commencing on or about October 23, 2015. The information contained herein is given as of October 5, 2015, except as otherwise stated. All dollar amounts set forth in this Circular are expressed in Canadian dollars, unless otherwise indicated.

VOTING INFORMATION

Solicitation of Proxies

The solicitation of proxies by management of the Corporation will be conducted by mail and may be supplemented by telephone or other personal contact, and such solicitation will be made without special compensation granted to the directors, officers and employees of the Corporation. The Corporation does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Corporation has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers, and the Corporation will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Corporation.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Record Date

The board of directors of the Corporation has set the close of business on October 5, 2015, as the record date (the "**Record Date**") for determining which Shareholders of the Corporation shall be entitled to receive notice of and to vote at the Meeting. Only Shareholders of record ("**Registered Shareholders**") as of the Record Date are entitled to receive notice of and to vote at the Meeting.

Appointment of Proxyholders

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each common share that such Shareholder held on October 5, 2015, on the resolutions to be voted upon at the Meeting and any other matter to come before the Meeting.

The persons named as proxyholders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Corporation.

A Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and act for or on behalf of that Shareholder at the Meeting, other than the Designated Persons named in the enclosed form of proxy. A Shareholder may exercise this right by striking out the printed names and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy. In order to be voted, the completed form of proxy must be received by the Corporation, by mail or by hand, to the attention of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by 12:00 p.m. (Vancouver time) on November 23, 2015, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The time limit for the deposit of proxies may be waived by the board of directors at its discretion without notice.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Revocability of Proxy

Any Registered Shareholder who has returned a form of proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a form of proxy may be revoked by instrument in writing, including a form of proxy bearing a later date, executed by the Registered Shareholder or by his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof. The instrument revoking the form of proxy must be deposited at the same address where the original form of proxy was delivered at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the Chairman of the Meeting on the date of the Meeting but prior to the commencement of the Meeting. A Shareholder who has submitted a form of proxy may also revoke it by attending the Meeting in person (or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending the Meeting) and registering with the scrutineer thereat as a Registered Shareholder present in person, whereupon such form of proxy shall be deemed to have been revoked. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the form of proxy. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions given in the form of proxy. If the Shareholder specifies a choice in the form of proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. The common shares represented by a form of proxy will be voted or withheld from voting in accordance with the

instructions of the Shareholder on any ballot that may be called for, and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.

If no choice is specified in the form of proxy with respect to a matter to be acted upon, the form of proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the common shares represented by the form of proxy in favour of each matter identified in the form of proxy, including the vote for the election of the nominee(s) to the board of directors and for the appointment of the independent auditors of the Corporation.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for the determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Non-Registered Holders

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depositary Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements set out in National Instrument 54-101 ("**NI 54-101**") of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

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

(b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy

authorization form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

These securityholder materials are being sent to both Registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation's authorized capital consists of an unlimited number of common shares. As of the date hereof, there were a total of 84,168,429 common shares of the Corporation outstanding. Each common share entitles the holder thereof to one vote.

To the knowledge of management of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of all voting rights of the Corporation as of the date hereof.

RECEIPT OF FINANCIAL STATEMENTS

The board of directors will place before the Meeting the financial statements of the Corporation for the year ended November 30, 2014, together with the auditors' report thereon.

ELECTION OF DIRECTORS

The board of directors is recommending six persons (the "**Nominees**") for election at the Meeting. Each of the six persons whose name appears below is proposed by the board of directors to be nominated for election as a director of the Corporation to serve until the next annual general meeting of the Shareholders or until the director sooner ceases to hold office.

The following table sets forth the names of the Nominees, all offices of the Corporation now held by the Nominees, the Nominees' principal occupations, the period of time for which each Nominee has been a

director of the Corporation and the number of common shares of the Corporation, Warrants exercisable into common shares of the Corporation and stock options to purchase common shares of the Corporation ("**Options**"), issued and outstanding under the Corporation's amended and restated stock option plan dated October 11, 2013 (the "**Option Plan**"), beneficially owned by the Nominees, directly or indirectly, or over which each Nominee exercises control or direction, as of the date hereof.

Name, Place of Residence and Present Position with the Corporation	Principal Occupation for the Past Five Years	Director Since	Number of Common Shares, Options and Warrants Held
Amir Adnani[(1)(2)(6)] *Chairman and Director* British Columbia, Canada	Mr. Adnani is a founder and serves as the President, Chief Executive Officer, Principal Executive Officer and a director of Uranium Energy Corp. ("**UEC**"), a public company listed on the NYSE MKT equities exchange, since January 2005.	August 18, 2010	Common Shares: 6,125,454[(3)] Options: 300,000 Warrants: 1,095,454[(4)]
Pat Obara *Secretary, Chief Financial Officer and Director* British Columbia, Canada	Mr. Obara has served as the Chief Financial Officer of the Corporation since January 2011 and as the Secretary of the Corporation since September 2009. Mr. Obara served as Vice President Administration of UEC, from January 2011 to September 2015 and as Secretary, Treasurer, Chief Financial Officer and Principal Accounting Officer of UEC, from August 2006 to January 2011.	September 9, 2009	Common Shares: 740,000 Options: 170,000 Warrants: 40,000
Mario Garnero[(5)(6)] *Director* Souzas, Campinas, Brazil	Mr. Garnero serves as the Chairman of the board of directors of the Brasilinvest Group, a business organization established in 1975 as a private merchant bank.	August 18, 2010	Common Shares: 4,023,636[(7)] Options: 300,000 Warrants: 1,123,636[(8)]
David Kong[(1)(2)(6)] *Director* British Columbia, Canada	Mr. Kong has served as a director of New Pacific Metals Corp since November 2010, UEC since January 2011, Silvercorp Metals Inc. since November 2011 and New Era Minerals Inc. (formerly KCC Capital Corporation) since September 2013. Mr. Kong was a partner at Ellis Foster, Chartered Accountants from 1981 to 2004, before merging with Ernst & Young LLP in 2005, where he was a partner until 2010. Mr. Kong served as a director of Channel Resources Ltd. from July 2010 to June 2012, as a director of IDM International Ltd. from November 2011 to October 2012 and as a director of Hana Mining Ltd. from July 2010 to February 2013.	October 29, 2010	Common Shares: 482,000[(9)] Options: 150,000 Warrants: 202,000[(10)]
Gloria Ballesta[(1)(2)(5)] *Director* Bogotá, Capital District, Colombia	Ms. Ballesta was a paralegal for UEC from May 2010 to December 2012 and Administrative Manager for Petaquilla Minerals Ltd. and Petaquilla Copper Ltd. from October 2006 to February 2010.	August 18, 2010	Common Shares: 21,000 Options: 70,000 Warrants: 1,000
Hon. Herb Dhaliwal[(5)] *Director* British Columbia, Canada	Mr. Dhaliwal has served as the Chief Executive Officer of Dynamic Facility Services Ltd. since 2004 and as a director of East West Petroleum Corp. since July 2010.	March 1, 2013	Common Shares: Nil Options: 225,000 Warrants: Nil

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.

(3) Includes 1,095,454 common shares held by Amir Adnani Corp. and 150,000 common shares owned by Mr. Adnani's spouse.
(4) Includes 1,095,454 warrants held by Amir Adnani Corp.
(5) Member of the Nominating and Corporate Governance Committee.
(6) Member of the Brazilian Projects Steering Committee.
(7) Includes 2,900,000 common shares held by Brasilinvest International Investments Limited, of which Mr. Garnero is Chairman and 1,123,636 common shares held by Xemex Investments Ltd., of which Mr. Garnero is President.
(8) Includes 1,123,636 warrants held by Xemex Investments Ltd., of which Mr. Garnero is President.
(9) Includes 280,000 common shares held by M-2 Capital Ltd., of which Mr. Kong is a director and 52,000 common shares owned by Mr. Kong's spouse.
(10) Includes 52,000 warrants held by Mr. Kong's spouse.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed elsewhere herein, to the knowledge of the Corporation, no proposed director of the Corporation is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any corporation that:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Except as disclosed elsewhere herein, to the knowledge of the Corporation, no proposed director of the Corporation is or has been, within the past 10 years, a director or executive officer of any corporation that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become 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.

Except as disclosed elsewhere herein, no proposed director of the Corporation has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Except as disclosed elsewhere herein, to the knowledge of the Corporation no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

In June 2007, the British Columbia Securities Commission issued a cease trade order against UEC, which trades on the NYSE MKT equities exchange and is a reporting issuer in the United States and British Columbia. The British Columbia Securities Commission issued the cease trade order against UEC for not having filed technical reports under National Instrument 43-101 ("**NI 43-101**") respecting UEC's material mineral property interests and for not disclosing historical mineral resources in its annual report filed with the British Columbia Securities Commission that were otherwise publicly disclosed by UEC. On October 19, 2007, UEC filed the required NI 43-101 reports on SEDAR. On October 22, 2007, the British Columbia Securities Commission revoked the cease trade order and reinstated UEC for trading in British Columbia. At the time, Amir Adnani was President, CEO and a director of UEC and Pat Obara was Chief Financial Officer of UEC.

On December 2, 2009, the Hon. Herb Dhaliwal was a director of Brainhunter Inc. when an order was granted by the Ontario Superior Court of Justice under the *Companies' Creditors Arrangement Act* (Canada) for the

corporation and certain of its principal subsidiaries providing, among other things, a stay of proceedings against it. The Hon. Herb Dhaliwal resigned as a director of Brainhunter Inc. in February 2010.

APPOINTMENT OF AUDITORS

Management of the Corporation will recommend at the Meeting that Shareholders reappoint Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. Ernst & Young LLP were first appointed as auditors of the Corporation on December 21, 2010.

APPROVAL OF OPTION PLAN

The board of directors of the Corporation first implemented the Option Plan on January 28, 2011, as amended and restated on October 30, 2012 and on October 11, 2013. Under the Option Plan, the Corporation may grant stock options pursuant to which common shares may be purchased by directors, officers, consultants and employees of the Corporation and its subsidiaries up to a maximum of 10% of the issued and outstanding capital of the Corporation. Pursuant to the policies of the TSX Venture Exchange (the "**Exchange**" or the "**TSXV**"), Shareholders are required to approve, on a yearly basis, stock option plans which have a "rolling plan" ceiling. As of October 5, 2015, the Corporation may issue up to a maximum of 8,416,842 common shares pursuant to the Option Plan. As of October 5, 2015, 3,557,500 Options have been issued and 3,040,000 Options remain outstanding under the Option Plan.

At the Meeting, Shareholders will be asked to vote to approve, ratify and affirm the continued use of the Option Plan in or substantially in the form presented to the directors and attached hereto as Schedule "A". Management of the Corporation will table an ordinary resolution to approve, ratify and affirm the continued use of the Option Plan (the "**Option Plan Resolution**"). The complete text of the Option Plan Resolution to be considered at the meeting for approval, confirmation and adoption with or without variation, is substantially as follows:

"**BE IT RESOLVED** as an ordinary resolution that:

1. the continued use of the Option Plan in the form attached as Schedule "A" to the Circular be, and is hereby, ratified, affirmed and approved; and

2. any one director or officer of the Corporation be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Corporation or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

The board of directors recommends that Shareholders vote **IN FAVOUR** of the Option Plan Resolution. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** the Option Plan Resolution. In order to be effective, the ordinary resolution must be passed by a majority of votes cast at the Meeting. A description of the Option Plan can be found in the section of this Circular entitled "*Securities Authorized for Issuance Under Equity Compensation Plans - Option Plan*".

STATEMENT OF EXECUTIVE COMPENSATION

This section sets forth information respecting the annual compensation for services in all capacities to the Corporation and its subsidiaries for the years ended November 30, 2012, November 30, 2013 and November 30, 2014 in respect of the individuals comprised of the Chief Executive Officer, the Chief Financial Officer and each of the other three most highly compensated executive officers of the Corporation, whose total compensation for the most recently completed financial year exceeded $150,000, and any individual who

would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year ("**Named Executive Officers**" or "**NEOs**").

Compensation Discussion and Analysis

The goal of the Corporation's executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations within a calculated risk framework. The Compensation Committee periodically reviews the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective director or officer and that compensation allows the Corporation to attract qualified candidates.

The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization to enhance the sustainable profitability and growth of the Corporation.

The following key principles guide the Corporation's overall compensation philosophy:

- compensation is designed to align executives to the critical business issues facing the Corporation;
- compensation is fair and reasonable to Shareholders and is set with reference to the local market;
- the compensation design supports and rewards executives for entrepreneurial and innovative efforts and results;
- an appropriate portion of total compensation is equity-based, aligning the interests of executives with Shareholders; and
- compensation is transparent to the board of directors, executives and Shareholders.

The Corporation does not assess its compensation through benchmarks or peer groups at this time. When reviewing the compensation of executive officers, the Compensation Committee considers the following objectives:

- to engage individuals critical to the growth and success of the Corporation;
- to reward performance of individuals by recognizing their contributions to the Corporation's growth and achievements; and
- to compensate individuals based on performance.

The Corporation has taken steps to ensure its executive compensation program does not incent risk outside the Corporation's risk appetite. Some of the risk management initiatives currently employed by the Corporation are as follows:

- appointing a Compensation Committee comprised of a majority of independent directors to oversee the executive compensation program; and
- use of discretion in adjusting bonus payments (if any) up or down as the Compensation Committee deems appropriate and recommends.

The board of directors and Compensation Committee has discussed and assessed risk related to the Corporation's compensation policies and practices and is of the view that, when looked at in their totality, the

Corporation's compensation policies and practices do not incentivize risk taking. The Corporation does not have any formal policy respecting the purchase by an NEO or a director of financial instruments.

For executive officers who are offered compensation, such compensation is primarily comprised of a base salary, bonus and Options to purchase common shares.

Salary and Bonus

For executive officers who are offered compensation, the base salary is the foundation of such compensation and is intended to compensate competitively. The desire is for base salary to be high enough to secure talented personnel which, when coupled with performance based compensation, provides for a direct correlation between individual accomplishment and the success of the Corporation as a whole.

Annual bonuses are variable components of compensation, designed to reward executives for corporate, business and individual achievements. Annual bonuses (if any) are discretionary and are designed to reflect the Corporation's annual achievement of its business strategy as well as individual achievements.

Option-Based Awards

The Option Plan provides that the board of directors may from time to time, in its discretion, grant Options to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation. For information in respect of the Option Plan, please refer to the section of this Circular entitled "*Securities Authorized for Issuance Under Equity Compensation Plans - Option Plan*".

The Compensation Committee makes recommendations to the board of directors regarding the periodic grant of Options to key employees and executive officers. The Compensation Committee makes recommendations to the board of directors regarding the amount of Options awarded to the Corporation's executive officers on a discretionary basis, given the size of the Corporation, based on individual performance, positions held within the Corporation and the overall performance of the Corporation. The Compensation Committee takes into consideration previous grants when it considers new grants of Options to employees and executives of the Corporation. As of the date hereof, 3,557,500 Options have been issued and 3,040,000 Options remain outstanding under the Option Plan.

Compensation Governance

The Corporation has established a Compensation Committee that operates under a written charter approved by the Board. The Compensation Committee is comprised of Amir Adnani, David Kong and Gloria Ballesta. A majority of the members of the Compensation Committee qualify as independent directors under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Mr. Kong and Ms. Ballesta are independent directors and Mr. Adnani is not an independent director under NI 52-110.

The Compensation Committee is responsible for establishing and administering the Corporation's compensation policy for executive officers and directors. The members of the Compensation Committee have broad business experience and are well-versed in executive compensation matters. The members of the Compensation Committee bring a wide range of skills and experiences that help them make decisions in respect of the Corporation's compensation policies and practices. These skills and experiences include, but are not limited to: industry knowledge; operational experience; financial knowledge; and international business experience. The members of the Compensation Committee assess performance on both an individual and an organizational level.

Summary Compensation Table for NEOs

The following table (and notes thereto) sets forth the name of each NEO, his annual compensation, consisting of salary and other annual compensation, and Options granted, for the three most recently completed financial years of the Corporation, or such shorter period for which the NEO has been an executive officer of the Corporation:

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)[1]	Pension value ($)	All other compensation ($)	Total compensation ($)
Stephen Swatton *former President and Chief Executive Officer*[2][3]	2014 2013 2012	135,000 160,875 124,458	Nil Nil Nil	Nil Nil 50,963	Nil Nil Nil	Nil Nil Nil	135,000 160,875 175,421
Pat Obara *Secretary and Chief Financial Officer*[4]	2014 2013 2012	32,400 38,880 38,160	Nil Nil Nil	Nil Nil 23,783	Nil Nil Nil	Nil Nil Nil	32,400 38,880 61,943

Notes:

(1) The Black-Scholes option valuation model has been used to determine the fair value on the date of grant. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the common share price, expected dividend yield and risk free interest rate. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology. The inputs used by the Corporation in the Black-Scholes pricing model were: a risk free interest rate of 0.98%; expected life of 2.8 years; and annualized volatility of 89.50%.

(2) Mr. Swatton resigned as President, Chief Executive Officer and a director on December 15, 2014.

(3) Mr. Swatton received an annual salary of $165,000 pursuant to an employment agreement dated August 1, 2012. Mr. Swatton did not receive any compensation for services as a director.

(4) Amounts stated reflect the annual salary received by Mr. Obara. Mr. Obara did not receive any compensation for services as a director.

The Corporation did not have a long-term incentive plan pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Corporation's securities) was paid or distributed to the NEOs during the financial year ended November 30, 2014.

The Corporation appointed Garnet Dawson as Chief Executive Officer on December 15, 2014. Prior to this appointment, Mr. Dawson served as Technical Director of the Corporation. As of the date hereof, the NEOs currently employed by the Corporation hold a total of 270,000 Options, of which 200,000 Options have an exercise price of $0.71 and 70,000 Options have an exercise price of $1.20.

Outstanding Option-based Awards for NEOs

The following table sets forth the name of each NEO, the number of Options available for exercise, the Option exercise price and the expiration date for each Option as of November 30, 2014. As of November 30, 2014, the value of "in-the-money" unexercised Options held by the NEOs was $nil.

	Option-based Awards			
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date (dd/mm/yyyy)	Value of unexercised in-the-money options ($)[1]
Stephen Swatton *former President and Chief Executive Officer*	150,000	1.20	03/10/2016	Nil
Pat Obara *Secretary and Chief Financial Officer*	70,000	1.20	03/10/2016	Nil

Note:

(1) The "Value of Unexercised in-the-Money Options" is calculated on the basis of the difference between the closing price of $0.53 of the Corporation's common shares on the TSXV on November 28, 2014 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year for NEOs

The following table sets forth the aggregate dollar value that would have been realized by each NEO if Options under option-based awards that vested during the financial year ended November 30, 2014 were exercised on the vesting-date.

Name	Option-based awards – Value vested during the year ($)[(1)]
Stephen Swatton *former President and Chief Executive Officer*	Nil
Pat Obara *Secretary and Chief Financial Officer*	Nil

Note:

(1) The aggregate dollar value of the option-based awards vested during the year is based on the difference between the closing price of the common shares of the Corporation on the TSXV on the vesting-date for any Options that vested during the financial year ended November 30, 2013 and the exercise price of the Options.

During the most recently completed financial year, the NEOs did not exercise any Options under the Option Plan in respect of the common shares of the Corporation.

Pension Plans

The Corporation does not presently provide any defined benefit or pension plan to its directors, executive officers, employees or consultants.

Termination and Change of Control Benefits

Other than as disclosed herein, the Corporation did not have any agreements providing for any benefits to a NEO upon termination of his or her office during the financial year ended November 30, 2014.

Pursuant to an employment agreement dated August 1, 2012 (the "**Employment Agreement**"), Mr. Swatton was entitled to receive 60 days' notice or base salary in lieu thereof in the event of his termination other than for cause. Mr. Swatton was not entitled to any compensation in the event of his resignation, retirement or following a change of control of the Corporation or its subsidiaries or a change in responsibilities following a change in control. The Employment Agreement was terminated on December 15, 2014 with Mr. Swatton's resignation as President and Chief Executive Officer.

Compensation of Directors

The directors of the Corporation received the following compensation for the financial year ended November 30, 2014.

Name[(1)]	Fees earned ($)[(2)]	Option-based awards ($)[(3)]	Total ($)
Amir Adnani	100,000	Nil	100,000
Mario Garnero	50,000	Nil	50,000
David Kong	12,500	Nil	12,500
Gloria Ballesta	10,000	Nil	10,000
Hon. Herb Dhaliwal	50,000	931	50,931

Notes:

(1) Relevant disclosure for each of Mr. Swatton and Mr. Obara is included in the table above entitled *Summary Compensation Table for NEOs*.

(2) Annual retainer fees.

(3) The Black-Scholes option valuation model has been used to determine the fair value on the date of grant. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the common share price, expected dividend yield and risk free interest rate. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology. The inputs used by the Corporation in the Black-Scholes pricing model were: a risk free interest rate of 1.05%; expected life of 2.75 years; and annualized volatility of 86.36%.

According to the Corporation's Articles, the Corporation's directors are entitled to receive remuneration for serving on the board of directors as the board of directors or the Shareholders may from time to time determine, and the Corporation is required to reimburse each director for reasonable expenses that he or she may incur in and about the business of the Corporation. The Corporation's directors may award special remuneration, without confirmation of same by Shareholders, to any director undertaking any special services on the Corporation's behalf other than routine work ordinarily required of a director, and such remuneration will be in addition to any other remuneration that such director may be entitled to receive. Unless the Shareholders determine otherwise, the board of directors may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Corporation and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Outstanding Option-based Awards for Directors

The following table sets forth the name of each director, the number of Options available for exercise, the Option exercise price and the expiration date for each Option as of November 30, 2014. As of November 30, 2014 the value of "in-the-money" unexercised Options held by the directors, excluding Stephen Swatton and Pat Obara, was $nil.

	Option-based Awards			
Name[(1)]	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date (dd/mm/yyyy)**	**Value of unexercised in-the-money options ($)[(2)]**
Amir Adnani	150,000	1.20	03/10/2016	Nil
Mario Garnero	150,000	1.20	03/10/2016	Nil
David Kong	50,000	1.20	03/10/2016	Nil
Gloria Ballesta	20,000	1.20	03/10/2016	Nil
Hon. Herb Dhaliwal	100,000 25,000	1.30 1.10	21/07/2016 01/03/2018	Nil Nil

Notes:
(1) Relevant disclosure for each of Mr. Swatton and Mr. Obara is included in the table above entitled *Outstanding Option-based Awards for NEOs*.
(2) The "Value of Unexercised in-the-Money Options" is calculated on the basis of the difference between the closing price of $0.53 of the Corporation's common shares on the TSXV on November 28, 2014 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year for Directors

The following table sets forth the aggregate dollar value that would have been realized by each director if Options under option-based awards that vested during the financial year ended November 30, 2014 were exercised on the vesting-date.

Name[(1)]	**Option-based awards – Value vested during the year ($)[(2)]**
Amir Adnani	Nil
Mario Garnero	Nil
David Kong	Nil
Gloria Ballesta	Nil
Hon. Herb Dhaliwal	Nil

Notes:
(1) Relevant disclosure for each of Mr. Swatton and Mr. Obara is included in the table above entitled *Incentive Plan Awards – Value Vested or Earned During the Year for NEOs*.

(2) The aggregate dollar value of the option-based awards vested during the year is based on the difference between the closing price of the common shares of the Corporation on the TSXV on the vesting-date for any Options that vested during the financial year ended November 30, 2014 and the exercise price of the Options.

During the most recently completed financial year, the directors did not exercise any Options under the Option Plan in respect of the common shares of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the securities authorized for issuance under compensation plans as of November 30, 2014, the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders[(1)]	1,780,000	$1.24	5,470,042
Equity compensation plans not approved by security holders	Nil	N/A	Nil
TOTAL	**1,780,000**	**$1.24**	**5,470,042**

Note:
(1) The Shareholders of the Corporation most recently approved the Option Plan on November 26, 2014.

Option Plan

The board of directors of the Corporation first implemented the Option Plan on January 28, 2011, as amended and restated on October 30, 2012 and on October 11, 2013. Pursuant to the policies of the TSXV, Shareholders are required to approve, on a yearly basis, stock option plans which have a "rolling plan" ceiling. The purpose of the Option Plan is to attract, retain and motivate qualified directors, executives, employees and consultants and to reward them for their contributions toward the goals and success of the Corporation. Pursuant to the terms of the Option Plan, the board of directors may designate directors, senior officers, employees and consultants of the Corporation eligible to receive Options to acquire such numbers of common shares as the board of directors may determine, each Option so granted being for a term specified by the board up to a maximum of five years from the date of grant. The maximum number of common shares reserved for issuance for Options granted under the Option Plan at any time is 10% of the issued and outstanding common shares in the capital of the Corporation, which is currently 8,416,842 common shares.

In accordance with its terms, in no case may the grant of Options under the Option Plan result in: (i) the grant to any one individual, within any 12-month period (unless the Corporation has obtained disinterested Shareholder approval) of Options reserving for issuance a number of common shares exceeding in the aggregate 5% of the issued and outstanding common shares; (ii) the grant to all persons engaged by the Corporation to provide investor relations activities, within any twelve month period, of Options reserving for issuance a number of common shares exceeding in the aggregate 2% of the issued and outstanding common shares; or (iii) the grant to any one consultant, in any twelve month period, of Options reserving for issuance a number of common shares exceeding in the aggregate 2% of the issued and outstanding common shares. As of the date hereof, 3,557,500 Options have been issued and 3,040,000 Options remain outstanding under the Option Plan.

The price at which a holder of Options (an "**Optionholder**") may purchase common shares upon the exercise of an Option is determined by the board of directors, provided that such exercise price cannot be less than the "market price" of the common shares subject to the maximum discount permitted by the Exchange on the last trading day prior to the date on which such Options are granted. For the purposes of the Option Plan, the "market price" is the last closing price of the common shares before the issuance of any news release

disclosing the grant of an option or the filing of a price reservation form, subject to the exceptions provided for by the applicable exchange's policies or, if the Corporation does not issue a news release to fix the price, the market price is the last closing price of the common shares on the Exchange prior to the date of the grant of the option (less the maximum applicable discount permitted by the Exchange). In the event that the common shares did not trade on the last business day prior to the issuance of the news release or the date of the grant of the Option, as the case may be, the market price is the average of the bid and asked prices in respect of such shares at the close of trading on such date. In the event that the common shares are not listed and posted for trading on any stock exchange, the market price is the fair market value of such shares as determined by the board of directors in its sole discretion.

Subject to certain exceptions, an Option will not be exercisable unless the Optionholder remains an eligible director, senior officer, employee or consultant continuously throughout the term of such Option. Should the Optionholder cease to be an eligible director, senior officer, employee or consultant of the Corporation during the term of an Option for any reason other than death or cause, the Option will be exercisable for a maximum of ninety days thereafter. If an Optionholder dies during the term of an Option, such Option will be exercisable by the executor or administrator of the Optionholder's estate for a maximum of one year following such death. Should the Optionholder cease to be an eligible director, senior officer, employee, consultant or management company employee of the Corporation or any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised Options of such Optionholder under the Option Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionholder under the Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Corporation or its subsidiaries, or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year, and none of the foregoing persons, nor any current or former employees or former directors and executive officers, are indebted to the Corporation or any of its subsidiaries as of the date of this Circular.

MANAGEMENT CONTRACTS

The management functions of the Corporation and its subsidiaries are not performed by a person or persons other than the directors or executive officers of the Corporation.

AUDIT COMMITTEE

Corporation's Audit Committee Charter

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this Circular as Schedule "B".

Composition of the Audit Committee

The members of the Audit Committee are David Kong, Amir Adnani and Gloria Ballesta. Each member of the Audit Committee is financially literate. Mr. Kong and Ms. Ballesta are independent directors and Mr. Adnani is not an independent director under NI 52-110.

Relevant Education and Experience

The following relevant education and experience of the members of the Audit Committee have been used in assessing their financial literacy:

David Kong

Mr. Kong holds a Bachelor in Business Administration and earned his Chartered Accountant designation in British Columbia in 1978 and his U.S. CPA (Illinois) designation in 2002. Mr. Kong was a partner at Ellis Foster, Chartered Accountants from 1981 to 2004, before merging with Ernst & Young LLP in 2005, where he was a partner until 2010. Mr. Kong is a certified director (ICD.D) of the Institute of Corporate Directors.

Amir Adnani

Mr. Adnani holds a Bachelor of Science degree from the University of British Columbia and serves on the university's Alumni Advisory Board. Mr. Adnani is a founder of the Corporation and has served as a director and chairman of the Board since August 2010. Mr. Adnani is a founder and serves as the President, Chief Executive Officer and a director of Uranium Energy Corp., a public company listed on the NYSE MKT equities exchange, since January 2005. As an entrepreneur for many years, Mr. Adnani earlier built a communications firm serving public companies in the natural resources sector.

Gloria Ballesta

Ms. Ballesta holds an LLB (Hons.) from the CEU Cardenal Herrera University in Spain and a Masters degree in Marketing and Business Management from ESIC School of Business in Spain. Ms. Ballesta was a Paralegal for UEC, a public company listed on the NYSE MKT equities exchange, from May 2010 to December 2012. Ms. Ballesta has experience working in North American, European and Latin American business environments and has direct experience working with Canadian public companies. Ms. Ballesta has experience managing administrative and compliance procedures for spin-offs, take-overs and financings of various Canadian public companies.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee Charter provides that the Audit Committee shall pre-approve all non-audit services to be provided by the external auditors of the Corporation.

External Auditor Service Fees

Ernst & Young LLP has served as the Corporation's auditors since December 2010. Fees payable to Ernst & Young LLP for services rendered for the financial year ended November 30, 2014 are detailed in the table below:

	Year ended November 30, 2014	Year ended November 30, 2013
Audit Fees[(1)]	$ 30,000	$ 32,000
Audit-Related Fees[(2)]	$ 6,000	$ -
Tax Fees[(3)]	$ 14,500	$ 13,600
All Other Fees	$ -	$ -
Total[(4)]	**$ 50,500**	**$ 45,600**

Notes:

(1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's financial statements in connection with statutory and regulatory filings.

(2) Audit-related fees are for services rendered by the Corporation's auditors related to the performance of the audit of the Corporation's financial statements and are not reported under the category "Audit Fees" above.

(3) Tax fees were for tax compliance.

(4) Total fees represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees for each year.

Exemption

The Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 by virtue of the exemption contained in section 6.1 thereof.

CORPORATE GOVERNANCE

Board of Directors

Currently, the board of directors is comprised of six members, four of whom are independent and two of whom are not independent. The board of directors considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Corporation and have full access to management. The independent directors are also able to meet at any time without members of management and non-independent directors being present. The independent directors discharge their responsibilities for independent oversight of management through their representation on the board of directors.

The following directors are independent in that they do not have a direct or indirect material relationship with the Corporation or one which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment:

- Mario Garnero
- David Kong
- Gloria Ballesta
- Hon. Herb Dhaliwal

The following directors are not independent:

- Amir Adnani
- Pat Obara

Mr. Adnani is not independent by virtue of the scope of his involvement with the Corporation. Mr. Obara is not independent by virtue of being the Secretary and Chief Financial Officer of the Corporation.

Directorships

The following directors of the Corporation are also directors of other reporting issuers.

Name of Director	Name of Other Reporting Issuer(s)
Amir Adnani	Uranium Energy Corp. Garnero Group Acquisition Company
Mario Garnero	Garnero Group Acquisition Company
David Kong	New Pacific Metals Corp. Uranium Energy Corp. Silvercorp Metals Inc. New Era Minerals Inc.
Hon. Herb Dhaliwal	East West Petroleum Corp.

Orientation and Continuing Education

The board of directors does not have any formal procedures to orient new board of directors members nor does it have a formal policy of providing continuing education for directors. When a new director is appointed, he or she has the opportunity to meet other directors, executives, management and employees of the Corporation with orientation tailored to the needs and experience of the new director, as well as overall needs of the board of directors. New board of directors members are provided with information respecting the Corporation and its business and operations.

The Corporation relies upon the advice of its professional advisors to update the knowledge of its board of directors members in respect of changes in relevant policies and regulations. A number of directors are also directors of other publicly traded companies and are benefiting from exposure to board of directors of such companies. New board of directors members are generally selected on the basis of their breadth of experience with respect to the mining business, having regard to the requirements for appropriate skill sets required by the Corporation.

As an ongoing process, the board of directors is to consider executive and management development (including training and monitoring of senior executives and management) to be based mainly on periodic reports from the Compensation and the Nominating and Corporate Governance Committees and the President and Chief Executive Officer. Board of directors members are encouraged to communicate with executives, management, auditors and technical consultants to keep themselves current with business and affairs of the Corporation and with respect to developments within the mining industry. Board of directors members have free and full access to the Corporation's records at all times.

Ethical Business Conduct

The board of directors relies upon the selection of directors, officers, employees and consultants whom it considers as meeting the highest ethical standards to promote a culture of ethical business conduct.

The board of directors itself must comply with the conflict of interest provisions of applicable Canadian corporate law, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director and executive officer has a material interest.

Nomination of Directors

The Nominating and Corporate Governance Committee is responsible for making recommendations to the board of directors in respect of filling of vacancies on the board of directors and as to nominees for the board of directors. On an annual basis, the board of directors reviews its strategies to determine the composition of the board of directors and the appropriate candidates to be put forth for election as directors at annual general meetings. The review takes into account the desirability of maintaining a balance of skills, experience and background, required for the discharge of its fiduciary duty to the Corporation.

Compensation

The Compensation Committee is appointed by the board of directors to, among other things, discharge the board of directors' responsibilities relating to compensation of the Corporation's directors and officers. The Compensation Committee periodically reviews the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective director or officer and that compensation allows the Corporation to attract qualified candidates. Such review includes an examination of publicly available data as well as independent compensation surveys.

The Compensation Committee annually reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluates the Chief Executive Officer's performance in light of those goals and objectives and sets the Chief Executive Officer's compensation level based on this evaluation. The Compensation Committee meets without the presence of other executive officers when approving the Chief Executive Officer's compensation.

Other Committees of the Board of Directors

Apart from the Audit Committee and Compensation Committee, the board of directors has established a Nominating and Corporate Governance Committee and a Brazilian Projects Steering Committee.

The Nominating and Corporate Governance Committee is responsible for developing and establishing corporate governance guidelines and practices for the board of directors and the Corporation. The Nominating and Corporate Governance Committee is responsible for assessing the overall effectiveness and composition of the board of directors and providing recommendations to the board of directors for suitable nominations of directors at annual general meetings of Shareholders and the filling of vacancies on the board of directors.

The Brazilian Projects Steering Committee has a mandate to, on an ongoing basis, evaluate, review, assess and make recommendations to the board of directors in respect of matters relating to the exploration and development of the Company's Brazilian projects.

Assessments

The board of directors is required to establish appropriate practices for the regular evaluation of the effectiveness of the board of directors, its committees and its members. Such assessment considers:

(i) in the case of the board of directors or a board of directors committee, its mandate or charter; and

(ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the board of directors.

The Nominating and Corporate Governance Committee is responsible for assessing the effectiveness of the board of directors and the committees of the board of directors. The Nominating and Corporate Governance Committee recommends to the board of directors any changes that would enhance the performance of the board of directors based on a variety of assessment criteria.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere herein, none of the directors or executive officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, no informed person of the Corporation, proposed director of the Corporation or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation of any of its subsidiaries. For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

OTHER BUSINESS

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matter(s) which are not known to management of the Corporation shall properly come before the Meeting, the proxy given pursuant to the solicitation by management of the Corporation will be voted on such matter(s) in accordance with the best judgment of the person(s) voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and MD&A by sending a written request to Suite 320 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, Attention: President. Financial information is provided in the Corporation's comparative financial statements and MD&A for its financial year ended November 30, 2014, which are also available on SEDAR.

APPROVAL OF CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, Canada, this 5th day of October, 2015.

BY ORDER OF THE BOARD OF DIRECTORS OF BRAZIL RESOURCES INC.

/s/ Amir Adnani
Amir Adnani
Chairman

SCHEDULE "A"

AMENDED AND RESTATED STOCK OPTION PLAN

OF

BRAZIL RESOURCES INC.

OCTOBER 11, 2013

ARTICLE 1
PURPOSE OF PLAN

1.1 The purpose of the Stock Option Plan (the "**Plan**") of Brazil Resources Inc. (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire common shares in the share capital of the Corporation (the "**Common Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

ARTICLE 2
ADMINISTRATION OF PLAN

2.1 The Plan shall be administered by the board of directors of the Corporation or by a special committee of the directors appointed from time to time by the board of directors of the Corporation pursuant to rules of procedure fixed by the board of directors (such committee or, if no such committee is appointed, the board of directors of the Corporation is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously by consent in writing, shall be the acts of the directors.

2.2 Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all Optionees (as defined herein) under the Plan and on their legal personal representatives and beneficiaries.

2.3 Each option to purchase Common Shares granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Optionee (as defined herein), in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

ARTICLE 3
STOCK EXCHANGE RULES

3.1 All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Common Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the "**Exchange**").

ARTICLE 4
SHARES SUBJECT TO PLAN

4.1 Subject to adjustment as provided in Article 15 hereof, the Common Shares to be offered under the Plan shall consist of authorized but unissued Common Shares of the Corporation. The aggregate number of Common Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Common Shares subject thereto shall again be available for the purpose of this Plan.

ARTICLE 5
MAINTENANCE OF SUFFICIENT CAPITAL

5.1 The Corporation shall at all times during the term of the Plan keep available such numbers of Common Shares as will be sufficient to satisfy the requirements of the Plan.

ARTICLE 6
ELIGIBILITY AND PARTICIPATION

6.1 Directors, officers, consultants and employees of the Corporation or any of its subsidiaries and employees of a person or company which provides management services to the Corporation or any of its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons collectively referred to as the "**Optionees**" and individually, an "**Optionee**"). Subject to compliance with applicable requirements of the Exchange, Optionees may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Optionee.

6.2 Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are a party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or any of its subsidiaries.

6.3 An Optionee who has been granted an option may, if such Optionee is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

ARTICLE 7
EXERCISE PRICE

7.1 The exercise price of Options shall be determined by the Board at the time the Options are granted, but shall not be less than the "market price" of the Common Shares subject to the maximum discount permitted by the Exchange on the last trading day prior to the date on which such options are granted. For purposes of the Option Plan, the "market price" is the last closing price of the Common Shares before the issuance of any news release disclosing the grant of an option or the filing of a price reservation form, subject to the exceptions provided for by the applicable Exchange's policies or, if the Corporation does not issue a news release to fix the price, the market price is the last closing price of the Common Shares on the Exchange prior to the date of the grant of the option (less the maximum applicable discount permitted by the Exchange). In the event that the Common Shares did not trade on the last business day prior to the issuance of the news release or the date of the grant of the option, as the case may be, the market price is the average of the bid and asked prices in respect of such shares at the close of trading on such date. In the event that the Common Shares are not listed and posted

for trading on any exchange, the market price is the fair market value of such shares as determined by the Board in its sole discretion.

7.2 Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by Insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested Shareholder approval is obtained.

ARTICLE 8
NUMBER OF OPTIONED SHARES

8.1 (a) The number of Common Shares subject to an option granted to any one Optionee shall be determined by the Board, but no one Optionee shall be granted an option which exceeds the maximum number permitted by the Exchange.

(b) No single Optionee may be granted options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares of the Corporation in any twelve-month period, calculated on the date an option is granted, unless the Corporation has obtained disinterested Shareholder approval in respect of such grant and meets applicable Exchange requirements.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any twelve-month period to any one Consultant of the Corporation (or any of its subsidiaries), calculated at the date an option is granted to the Consultant.

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any twelve-month period to all persons retained by the Corporation (or any of its subsidiaries) conducting Investor Relations Activities (as such term is defined in the policies of the Exchange), calculated on the date an option is granted to any such person. Options granted to persons performing Investor Relations Activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than ¼ of the options vesting in any three-month period.

ARTICLE 9
DURATION OF OPTION

9.1 Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Articles 11 and 12, provided that in no circumstances shall the duration of an option exceed five years.

ARTICLE 10
OPTION PERIOD, CONSIDERATION AND PAYMENT

10.1 (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Articles 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or any of its subsidiaries or death of the Optionee.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no

options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the Shareholders of the Corporation.

(d) Except as set forth in Articles 11 and 12, no option may be exercised unless the Optionee is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, addressed to the President of the Corporation, specifying the number of Common Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the option is exercised. Certificates for such Common Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment. Neither the Optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for the Common Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

(f) Notwithstanding any of the provisions contained in this Plan or in any option, any and all obligations of the Corporation whatsoever to issue Common Shares to an Optionee pursuant to the exercise of an option and/or this Plan shall at all times be subject to:

(i) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

(ii) the Corporation being satisfied that the issuance of such Common Shares shall not (whether with notice or the passage of time or both) breach, violate or be contrary to any of its constating documents, partnership agreements, applicable laws, regulations, Exchange rules and policies and agreements to which it is a party;

(iii) the admission of such Common Shares to listing on any Exchange on which the Common Shares may be then listed; and

(iv) the receipt from the Optionee of such representations, agreements and undertaking, including as to future dealings in such Common Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any Exchange on which the Common Shares are then listed.

ARTICLE 11
CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

11.1 Subject to Article 11.2, if an Optionee ceases to be a director, officer, employee, consultant or Management Company Employee of the Corporation or any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised option rights of that Optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such Optionee under the Plan.

11.2 If an Optionee ceases to be either a director, officer, employee, consultant or Management Company Employee of the Corporation or any of its subsidiaries for any reason other than as a result of having been

dismissed for cause as provided in Article 11.1 or as a result of the Optionee's death, such Optionee shall have the right for a period of ninety (90) days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to be either a director, employee, consultant or Management Company Employee to exercise his option under the Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing to be either a director, officer, employee, consultant or Management Company Employee. Upon the expiration of such ninety (90) day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.

11.3 If an Optionee engaged in providing Investor Relations Activities to the Company ceases to be employed in providing such Investor Relations Activities, such Optionee shall have the right for a period of thirty (30) days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise his option under the Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such thirty (30) day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.

11.4 Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a director, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries.

11.5 Options shall not be affected by any change of employment of any director, officer, employee, consultant or Management Company Employee.

ARTICLE 12
DEATH OF OPTIONEE

12.1 In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's option under the Plan to the extent that it was exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Optionee under the Plan.

ARTICLE 13
RIGHTS OF OPTIONEE

13.1 No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a Shareholder of the Corporation in respect of any Common Shares issuable upon exercise of such option until certificates representing such Common Shares shall have been issued and delivered.

ARTICLE 14
PROCEEDS FROM SALE OF SHARES

14.1 The proceeds from the sale of Common Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

ARTICLE 15
ADJUSTMENTS

15.1 If the outstanding Common Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Common Shares optioned and the exercise price per Common Share, in regards to previously granted and unexercised options or portions thereof, and in regards to options which may be granted subsequent to any such change in the Corporation's capital. Adjustments under this Article shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares shall be required to be issued under the Plan on any such adjustment.

15.2 Upon the liquidation or dissolution of the Corporation, the Plan shall terminate, and any options theretofore granted hereunder shall terminate.

15.3 In the event of a proposal of any of the following (a "**Change of Control**"):

(a) a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation;

(b) the sale of substantially all of the assets or the then outstanding common shares of the Corporation to another person or entity;

(c) a person or entity, other than the current "control person" of the Corporation (as that term is defined in the *Securities Act* (British Columbia)), becomes a "control person" of the Corporation; or

(d) a majority of the directors elected at any annual or extraordinary general meeting of Shareholders of the Corporations are not individuals nominated by the Corporation's then-incumbent board of directors;

all options granted which have not yet vested shall immediately vest without consideration as to time or any other vesting provision set forth in the Plan or stock option agreement governing such options, provided that such vesting is not in violation of the then current policies of the Exchange, if applicable, and all Optionees then entitled to exercise options then outstanding shall have the right at such time immediately prior to consummation of the Change of Control to exercise their options to the full extent not theretofore exercised. Upon consummation of the Change of Control, the Plan shall terminate and any options theretofore granted hereunder that remain unexercised upon termination shall also terminate.

ARTICLE 16
TRANSFERABILITY

16.1 All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable.

ARTICLE 17
AMENDMENT AND TERMINATION OF PLAN

17.1 Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan, unless Shareholder approval, or disinterested Shareholder approval, as the case may be, is obtained for such amendment or revision.

ARTICLE 18
NECESSARY APPROVALS

18.1 The ability of an Optionee to exercise options and the obligation of the Corporation to issue and deliver Common Shares in accordance with the Plan is subject to any approvals, which may be required from Shareholders of the Corporation and any regulatory authority or Exchange having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Optionee for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Optionee.

18.2 The Corporation must obtain disinterested Shareholder approval of options if the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, could result at any time in: (a) the number of Common Shares reserved for issuance under options granted to Insiders exceeding 10% of the issued Common Shares; and (b) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued Common Shares.

ARTICLE 19
EFFECTIVE DATE OF PLAN

19.1 The Plan has been adopted by the Board subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

ARTICLE 20
INTERPRETATION

20.1 The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

20.2 In this Plan, capitalized terms used herein that are not otherwise defined herein shall have the meaning ascribed thereto in the Corporate Finance Manual of the TSX Venture Exchange and in particular, in Policies 1.1 and 4.4 of said Corporate Finance Manual.

20.3 Nothing in this Plan or in any option shall confer upon any director, officer, employee, consultant or Management Company Employee any right to continue in the employ of the Corporation or any of its subsidiaries or affect in any way the right of the Corporation or any of its subsidiaries to terminate his employment at any time; nor shall anything in this Plan or in any option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any of its subsidiaries to extend the employment of any Optionee beyond the time that he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any of its subsidiaries or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any of its subsidiaries.

20.4 Nothing in this Plan or any option shall confer on any Optionee any right to continue providing ongoing services to the Corporation or affect in any way the right of the Corporation or any such entity to terminate his, her or its contract at any time, nor shall anything in this Plan or any option be deemed or construed as an agreement, or an expression of intent, on the part of the Corporation or any such entity to extend the time for the performance of the ongoing services beyond the time specified in the contract with any such entity.

20.5 References herein to any gender include all genders.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

BRAZIL RESOURCES INC.
(THE "COMPANY")

1. PURPOSE

1.1. The audit committee of the Company (the "**Committee**") is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Committee's role is to:

(a) support the board of directors of the Company (the "**Board**") in meeting its responsibilities to Shareholders;

(b) enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board; and

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2. The Committee will make recommendations to the Board regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3. The Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board from time to time prescribe.

2. MEMBERSHIP

2.1. The Committee will consist of at least three members, the majority of whom are neither officers nor employees or control persons of the Company nor any of its associates or affiliates in accordance with Policy 3.1 of the TSX Venture Exchange Corporate Finance Manual and who meet the independence requirements of National Instrument 52-110 – *Audit Committees*, as same may be amended from time to time.

2.2. The members of the Committee shall be appointed by the Board. The Committee members may be replaced by the Board, as the Board shall determine from time to time. There shall be a chair of the Committee, who shall be appointed by the Board.

3. AUTHORITY

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) approve interim financial statements and interim management's discussion and analyses on behalf of the Board.

3.2. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers being necessary or advisable in order to perform its duties and responsibilities.

4. DUTIES AND RESPONSIBILITIES

4.1. The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;

(c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

4.2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;

(b) to pre-approve the retention of the independent auditor for all audit and any non-audit services, including tax services, and the fees for such non-audit services which are provided to the Corporation or its subsidiary entities;

(c) to review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Company's financial and auditing personnel;

(iv) co-operation received from the Company's personnel during the audit;

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Company;

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

(viii) the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

4.3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) review and approve the internal audit plan; and

(c) review significant internal audit findings and recommendations, and management's response thereto.

4.4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

(a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

(d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5. The Committee is also charged with the responsibility to:

(a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

(i) the annual report to Shareholders;

(ii) the annual information form;

(iii) annual and interim management's discussion and analysis;

(iv) prospectuses;

(v) news releases discussing financial results of the Company; and

(vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

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

(d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Company's consolidated financial statements;

(f) review the minutes of any Committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

(h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of Shareholders; and

(j) evaluate, annually, the adequacy of this Charter and recommend any proposed changes to the Board.

5. MEETINGS

5.1. The quorum for a meeting of the Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other.

5.2. The members of the Committee may determine their own procedures.

5.3. The Committee may establish its own schedule that it will provide to the Board in advance.

5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Committee and to attend and be heard thereat.

5.5. A member of the Committee or the external auditor may call a meeting of the Committee.

5.6. The Committee will meet separately with the president of the Company and separately with the chief financial officer of the Company at least annually to review the financial affairs of the Company.

5.7. The Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8. The chair of the Committee must convene a meeting of the Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board or the Shareholders.

6. REPORTS

6.1. The Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board's meeting at which those recommendations are presented.

7. MINUTES

7.1. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.