RED EAGLE MINING CORPORATION

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Telephone: +1 604 638-2545

NOTICE OF ANNUAL MEETING

NOTICE is hereby given that the Annual Meeting of the Shareholders of Red Eagle Mining Corporation (the "Corporation"), will be held at 2348 – 666 Burrard Street, Vancouver, British Columbia, on the 9th day of June, 2016, at the hour of 2:00 o'clock in the afternoon for the following purposes:

1. To receive and consider the audited financial statements for the fiscal year ended December 31, 2015, together with auditor's report thereon.

2. To appoint Ernst & Young LLP, Chartered Accountants, as auditors for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the Auditors.

3. To fix the number of Directors for the ensuing year at seven (7).

4. To elect Directors for the ensuing year.

5. To consider and, if deemed advisable, pass an ordinary resolution approving the implementation of a Restricted Share Unit Plan for employees and consultants of the Corporation;

6. To consider and, if deemed advisable, pass an ordinary resolution approving the implementation of a Deferred Share Unit Plan for Directors of the Corporation;

7. To consider and, if deemed advisable, pass an ordinary resolution approving the Corporation's Stock Option Plan, including the amendments thereto; and

8. To consider and, if deemed advisable, pass a non-binding advisory resolution approving the Corporation's approach to executive compensation.

The specific details of the matters currently proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice.

If you are unable to attend the Annual Meeting in person, please read the Notes accompanying the Instrument of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes. As set out in the Notes, the enclosed Proxy is solicited by Management and the persons named as proxyholder in the Instrument of Proxy have been appointed by management, however you may amend the Instrument of Proxy to appoint a proxyholder of your choice, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 11th day of May, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

RED EAGLE MINING CORPORATION

"Ian Slater"
Ian Slater, Chairman and Chief Executive Officer

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RED EAGLE MINING CORPORATION

ANNUAL MEETING OF SHAREHOLDERS

June 9, 2016

MANAGEMENT INFORMATION CIRCULAR
(containing information as at May 4, 2016)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of Red Eagle Mining Corporation (the "Corporation") of proxies to be voted at the Annual Meeting (the "Meeting") of shareholders of the Corporation (the "Shareholders") to be held on Thursday, June 9, 2016 at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting. The solicitation will be primarily by mail, but may also be by telephone or verbal communication by the regular officers and employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy related material to non-registered Shareholders in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101").

APPOINTMENT AND REVOCATION OF PROXIES

There are two (2) ways you can vote your common shares if you are a Registered Shareholder (as defined hereunder). You may vote in person at the Meeting or you may sign the enclosed proxy (the "Proxy") appointing the designated persons or some other person you choose, who need not be a shareholder, to represent you as proxyholder and vote your shares at the Meeting.

If you are a Registered Shareholder with the transfer agent and plan to attend the Meeting to vote your common shares in person at the Meeting, do not complete or return the Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent on Thursday, June 9, 2016, upon arrival at the Meeting.

The Corporation's articles of incorporation provide that a proxy or an instrument appointing a duly authorized representative of a corporation shall be in writing, under the hand of the appointer or his duly authorized agent in writing, or if such appointer is a corporation, either under its seal or under the hand of an officer or agent duly authorized for that purpose.

The persons designated as proxyholders in the proxy are Ian Slater, President, Chief Executive Officer and Director of the Corporation and Jay Sujir, a Director of the Corporation. A Shareholder has the right to appoint a person, who need not be a shareholder, to represent the Shareholder at the Meeting, other than the person or persons named in the proxy provided by the Corporation. To exercise this right, the Shareholder must either insert the name of the desired proxyholder in the blank space provided in the proxy and strike out the names printed therein, or complete and submit another proxy. The proxy will not be valid unless it is deposited at the offices of the Corporation's registrar and transfer agent, Computershare, 3rd Floor, 510 Burrard Street, Vancouver BC V6B 3B9 no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) preceding the time of the Meeting or any adjournment thereof. The instrument of proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a company, it must either be under its common seal or signed by a duly authorized officer.

A shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Corporation's Registrar and Transfer Agent, Computershare, 3rd floor, 510 Burrard Street, Vancouver, B.C. V6B 3B9, at any time up to not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment of it, at which the proxy is to be used. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, 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.

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

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

Common shares represented by Proxy are to be voted for, against or withheld from voting on any ballot by the proxyholder named in the enclosed Proxy in accordance with the instructions of the Shareholder. The directors who are soliciting the Proxy agree to respect the instructions given by the shareholder in the Proxy. **IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, THE SHARES WILL BE VOTED IN FAVOR OF THE ADOPTION OF THE MOTIONS TO BE PROPOSED AT THE MEETING AS SPECIFIED IN THIS INFORMATION CIRCULAR**. The instrument of proxy enclosed, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a Special Resolution, in which case a majority of not less than $66^{2}/_{3}$% of the votes cast will be required.

ADVICE TO BENEFICIAL SHAREHOLDERS

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

Regulatory polices require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing **procedures** and provide their own return instructions to clients, which should be carefully followed by the Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form requesting such voting instructions (a "VIF") supplied to the Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to the registered shareholders by the Corporation, however, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("Broadridge") in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge (by way of mail, the Internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder**

cannot use a VIF to vote common shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) or other third party in accordance with the instructions on the VIF well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at a Meeting for the purposes of voting common shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as Proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders wishing to attend the Meeting and indirectly vote their common shares as Proxyholder for the registered shareholder, should enter their own names in the blank space on the VIF provided to them and return it in accordance with the instructions provided by such party on the VIF.**

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares having attached thereto the special rights and restrictions as set forth in the Articles of the Corporation. On May 4, 2016 (the "Record Date") 217,630,369 Common Shares were issued and outstanding, each share carrying the right to one vote. No Preferred shares have been issued. The Corporation has no other classes of voting shares.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of the directors and officers of the Corporation, as of the Record Date, only the following beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares:

Name of Shareholder	Number of Common Shares	Percentage of Issued and Outstanding
Orion Fund JV Limited	27,367,770	12.57%
Liberty Metals & Mining Holdings, LLC	43,122,710	19.81%
Stracon GyM S.A.	33,539,360	15.41%

The above information was supplied by the Registrar and Transfer Agent and Management for the Company.

PART TWO – MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Corporation as at and for the year ended December 31, 2015 (the "Financial Statements"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Corporation's Management Discussion and Analysis, were mailed only to those Shareholders on the supplemental mailing list maintained by the Corporation's registrar and transfer agent. Copies of the Financial Statements, together with the Auditor's Report thereon and the Corporation's Management Discussion and Analysis, Notice of Meeting, Circular and Proxy are available on the SEDAR website at www.sedar.com and at the Corporation's registered and records office at 920 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

ELECTION OF DIRECTORS

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at seven (7). Although Management is nominating seven (7) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting. The proposed nominees in the list that follows are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year and have confirmed their willingness to serve as directors, if elected. The term of office of each director elected will be until the next annual meeting of the Shareholders of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated, in accordance with the Articles of the Corporation and the provisions of the *Business Corporations Act* (British Columbia).

Unless the proxy specifically instructs the proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted FOR the election of the nominees whose names are set forth below. If, prior to the Meeting, any of the listed nominees shall become unavailable to serve, the persons designated in the proxy form will have the right to use their discretion in voting for a properly qualified substitute. Management does not contemplate presenting for election any person other than these nominees.

Name, Residence [(1)]	Principal Occupation [(1)]	Director Since	Common Shares Held or Controlled[(2)]
Ian Slater British Columbia, Canada	Chief Executive Officer of Red Eagle Mining Corporation	January 4, 2010	3,100,001
Jay Sujir[(3)(4)] British Columbia, Canada	Partner, Farris, Vaughan, Wills & Murphy LLP, Barristers and Solicitors	January 4, 2010	316,500
Jeffrey Mason[(3)(4)] British Columbia, Canada	Chief Financial Officer of Wellgreen Platinum Ltd.	January 4, 2010	2,650,000
Tim Petterson[(5)] British Columbia, Canada	Chief Executive Officer of Black Eagle Mining Corporation	January 4, 2010	2,488,333
Robert Bell East Perth, Western Australia	Chief Operating Officer of Red Eagle Mining Corporation	January 4, 2010	2,013,333
Stephen Dixon[(5)] Lima, Peru	Chief Executive Officer of Stracon GyM S.A.	August 21, 2015	0
Robert Pease[(3)(4)(5)] British Columbia, Canada	Director	April 18, 2011	205,789

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.

(2) Common Shares beneficially owned or over which a Director exercises control or direction. The information not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.

(3) Denotes member of Audit Committee

(4) Denotes member of Corporate Governance and Compensation Committee

(5) Denotes member of the Technical and Sustainability Committee

Majority Voting Policy

The Board has adopted a Majority Voting Policy. The Board believes that each of its members should carry the confidence and support of its shareholders. Accordingly, each director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting for the election of directors. If any nominee for an election as a director receives a greater number of votes "withheld" from his or her election than votes "in favour" of such election, that director shall promptly submit his or her resignation to the Chair of the Board following the meeting, to take effect on acceptance by the Board. The Corporate Governance and Compensation Committee of the Corporation shall consider the offer of resignation and recommend to the Board whether or not to accept it. Any director who tenders his or her resignation may not participate in the deliberations of either the Committee or the

Board in respect of his or her resignation. In its deliberations, the Committee will consider any stated reasons why shareholders "withheld" votes from the election of that director, the length of service and the qualifications of the director, the director's contributions to the Corporation, the effect such resignation may have on the Corporation's ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the Committee considers relevant.

The Board shall act on the Committee's recommendation and announce its decision via press release within 90 days following the applicable meeting, after considering the factors considered by the Committee and any other factors that the Board considers relevant. The Board expects to accept the resignation except in situations where extenuating circumstances would warrant the director to continue to serve on the Board. However, if the Board declines to accept the resignation, it should include in the press release the reasons for its decision. If a resignation is accepted, the Board may, in accordance with the *Business Corporations Act* (British Columbia) and the Corporation's articles, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board. If a director does not tender his or her resignation in accordance with this policy, the Board will not re-nominate that director at the next election. The Corporation's Majority Voting Policy does not apply in circumstances involving contested director elections.

Advance Notice Policy

In 2013, the Corporation amended its Articles to incorporate advance notice provisions (the "Advance Notice Provisions") as approved by the shareholders of the Corporation at the annual general meeting held on December 12, 2013. The Advance Notice Provisions require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia). The purpose of the Advance Notice Provisions is to foster a variety of interests of the Shareholders and the Corporation by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and set forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form. As of the date of the Management Information Circular, the Corporation has not received notice of a nomination in compliance with the Advance Notice Provisions.

Equity Ownership Requirement for Directors

The Board believes that the long-term financial interests of the directors of the Corporation should be aligned with those of the shareholders of the Corporation. To support this objective, the Board recently adopted a policy which establishes certain minimum levels of equity ownership for directors of the Corporation. Under the policy, the Corporation's non-employee directors are required to own Common Shares or Deferred Share Units of the Corporation ("DSUs") having an aggregate value equivalent to three times the annual cash retainer. Directors are expected to achieve this threshold by the later of (a) December 31, 2016; and (b) the date that is the three-year anniversary of the date the individual became a director of the Corporation. Each individual is required to maintain their minimum ownership level throughout his or her term as an officer of the Corporation and securities may not be the object of specific monetization or other hedging arrangements to reduce or offset exposure to the market value of these holdings.

At May 4, 2016, the Corporation's independent directors, as a group, beneficially own, directly or indirectly, or exercise control or direction over a total of 5,660,622 Common Shares with a total value of approximately C$4,358,678.94, directly or indirectly, representing approximately 2.6% of the issued and outstanding common shares of the Corporation.

Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Except as described below, no proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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 a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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.

Jay Sujir was previously a director of Rio Silver Inc. (formerly, Escape Gold Inc., formerly, Escape Group Inc.) ("Rio") which has been subject to cease-trade orders in Alberta and British Columbia for extended periods of time for failure to file financial statements. Mr. Sujir had no association with Rio at the time the financial statements became overdue or when the cease trade orders were made, and he became a director solely to assist in the resurrection of the Corporation.

Except as described below, no proposed director of the Corporation:

(a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Information Circular, 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.

Jay Sujir, was an independent director of Norwood Resources Ltd. from May 2008 until January 2011. In the last quarter of 2010, the board of directors of Norwood Resources Ltd. determined that the delays through the last quarter of 2010 had made the Corporation insolvent and believed that the Corporation was un-financeable, and determined that the interests of all stakeholders would best be protected by an assignment into bankruptcy. Norwood Resources Ltd. declared bankruptcy on January 19, 2011. Mr. Sujir resigned as a director on January 19, 2011

No proposed director of the Corporation has been subject to:

(a) 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

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, Shareholders will be asked to vote for the appointment of Ernst & Young, LLP, as independent auditors of the Corporation until the next annual meeting and for the directors to be authorized to fix their remuneration. **Unless instructions are given to decline to vote concerning the appointment of the Auditors, the**

persons whose names appear in the instrument of proxy intend to vote at the meeting in favor of the appointment of Ernst & Young LLP as Auditors of the Corporation and to authorize the directors to fix their remuneration.

Fees billed by Ernst & Young LLP and its affiliates for the year ended December 31, 2015 and the year ended December 31, 2014 were approximately $238,000 and $213,000, respectively. The aggregate fees billed by the auditors in fiscal 2015 and fiscal 2014 are detailed below.

(Canadian $ in 000's)	2014	2015
Audit Fees	$58	$75
Statutory Audit Fees (a)	$30	$30
Quarterly Reviews	$ -	$50
Circular / Prospectus Fees	$90	$15
Audit Related Fees (b)	$21	$15
Tax Fees	$14	$53
Total	$213	$238

(a) Fees for the Colombian statutory audit.
(b) Fees for accounting consultation on matters addressed during the audit or interim reviews.

APPROVAL OF STOCK OPTION PLAN

The Corporation has a "rolling" Stock Option Plan (the "Option Plan") pursuant to which the Board of Directors of the Corporation may, by resolution, grant options to directors, officers and employees of, and consultants to, the Corporation or its subsidiaries. The aggregate number of Shares that may be issued under this Option Plan and all other Security Based Compensation Arrangements (as defined in the Option Plan) may not, upon exercise, exceed 10% of the issued and outstanding Shares, on a non-diluted basis, at any time. Pursuant to Policy 4.4 of the TSX Venture Exchange, a "rolling" plan, such as the Option Plan, must receive shareholder approval each year at the annual meeting of shareholders. In addition, the Corporation must receive Exchange acceptance of a "rolling" plan each year.

The Corporation also proposes certain amendments to the Option Plan:

- to reflect modifications that have recently been made to the TSX Venture Exchange's policies;
- to add provisions for automatic vesting of options in the event of a take over bid and the ability for option holders to exercise options and tender the underlying shares to the such take over bid, provided that if the takeover bid does not proceed, the shares get cancelled and the options reinstated;
- to add provisions for the directors to make changes to the terms of options (including accelerated vesting, cancellation, etc.) in the event of an "Accelerated Vesting Event" (as defined in the Option Plan) including, among other things, the Corporation entering into a business combination or merger with another party; and
- to add provisions for extension of options which would otherwise expire during a black-out period;

in each case in the manner described in the Option Plan attached as Schedule "C" to this Circular.

At the Meeting, Shareholders will be asked to approve a resolution to approve the amended Option Plan. The details of the amended Option Plan are set forth below. In order to be approved, the resolution must be passed by a majority of the votes cast by the holders of Shares present in person or represented by proxy at the Meeting. **Unless instructions are given to decline to vote or to vote against concerning the following resolution, the persons whose names appear in the instrument of proxy intend to vote at the meeting in favor of the following resolution** (the "Option Plan Resolution").

"**WHEREAS** the Corporation's common share stock option plan was originally approved by its shareholders on December 4, 2014 (the "Option Plan");

WHEREAS the Corporation wishes to amend certain terms of the Option Plan, including the acceleration of the conditions for the exercise of options in cases of change of control;

WHEREAS it is in the best interest of the Corporation to proceed with such amendments;

BE IT RESOLVED THAT:

1. subject to approval by the TSX Venture Exchange, the amended Option Plan of the Corporation, in the form attached as Schedule "C" to the Information Circular of the Corporation dated May 11, 2016, be and it is hereby approved;

2. any director or officer of the Corporation is hereby authorized to execute and deliver and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolution; and

3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed share option plan of the Corporation is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

The Board recommends that Shareholders vote FOR the Option Plan Resolution set out above, and the Corporation has been advised that the Directors and senior officers of the Corporation intend to vote all Common Shares held by them in favour of the Option Plan Resolution.

Summary of the Option Plan

Set out below is a summary of the Option Plan. This summary is qualified in its entirety by the full text of the Option Plan attached to this Information Circular as Schedule "C".

The exercise price of options is determined by the Corporation's Board at the moment of the grant and may not be lower than the Discounted Market Price as calculated pursuant to the policies of the TSX Venture Exchange, or such other minimum price as may be required or permitted by the TSX Venture Exchange. The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options may not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement. For the purposes of the Option Plan, a "other share compensation arrangement" includes any stock option plan, employee stock purchase plan, RSU plan, DSU plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise. The maximum period during which an option can be exercised is ten (10) years from the date of grant. Each option is personal to the optionee and may not be sold or transferred except by inheritance.

The Option Plan provides that if an Eligible Person (as defined in the Option Plan) (a) is terminated for cause, each option held by such person shall terminate and therefore cease to be exercisable upon such termination for cause (b) dies, each option held by such person shall be exercisable by the heirs or administrators of such optionee and will expire after the earlier of (i) the expiry date therefor; or (ii) six (6) months after the date of such optionee's death; and (c) ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) above, each option held by such person shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date therefor and the date which is 30 days after such event (provided that the Board may extend such period as provided under the Option Plan). At no time may an optionee exercise its rights beyond the maximum period of ten (10) years from the date of grant.

The Option Plan includes the following restrictions on Grants and Exercise of Options.

a) The number of Options granted to any one person in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 5% of the issued Common Shares at the time of the grant, unless the Corporation has obtained disinterested shareholder approval (as defined in the Option Plan) to exceed such limit.

b) The aggregate number of Options granted to any one consultant in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

c) The aggregate value of Options granted to any one non-executive director in any 12-month period under the Option Plan:
    i. shall not exceed $100,000, at the time of the grant;
    ii. together with the aggregate value of awards to such non-executive under any other share compensation arrangement, shall not exceed $150,000 at the time of the grant.

d) Unless the Corporation has received disinterested shareholder approval to do so:
    i. the aggregate number of Common Shares reserved for issuance to Insiders under the Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant;
    ii. the aggregate number of Common Shares issued to Insiders in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

The Board may amend any Option with the consent of the affected optionee and the TSX Venture Exchange, including any shareholder approval required by the TSX Venture Exchange. In accordance with the requirements of the TSX Venture Exchange, Shareholder approval shall be obtained for any amendment that results in:

a) any reduction in the exercise price of an Option;
b) any cancellation and reissuance of an Option;
c) an increase in the maximum number of Shares issuable pursuant to the Option Plan (other than pursuant to Section 2 of the Option Plan);
d) an extension of the Expiry Date for Options granted to Insiders under the Option Plan;
e) other types of compensation through Share issuance;
f) granting rights to an Option Plan participant (a "Participant") to assign Options;
g) the addition of additional categories of Participants (other than as contemplated by Section 2 of the Option Plan);
h) changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
i) any amendments to this Option Plan that will increase the Corporation's ability to amend the Option Plan without shareholder approval.

APPROVAL OF RESTRICTED SHARE UNIT PLAN

The Corporation is seeking Shareholder approval for the issuance of Common Shares from treasury pursuant to the Corporation's new Restricted Share Unit Plan (the "RSU Plan"). The Board intends to use Restricted Share Units ("RSUs"') issued under the RSU Plan, as well as options issued under the Option Plan, as part of the Corporation's overall executive compensation plan. Since the value of RSUs increase or decrease with the price of the Shares, RSUs achieve the compensation objective of aligning the interests of executives with those of Shareholders. In addition, RSUs have both time-based and performance-based vesting features that can be used to better motivate executives and to encourage qualified and experienced executives to make long-term commitments to the Corporation.

At the Meeting, Shareholders will be asked to approve a resolution to approve the implementation of the RSU Plan as a treasury based plan. In order to be approved, the resolution must be passed by a majority of the votes cast by the holders of Shares present in person or represented by proxy at the Meeting. **Unless instructions are given to decline**

to vote or to vote against concerning the following resolution, the persons whose names appear in the instrument of proxy intend to vote at the meeting in favor of the following resolution (the "RSU Plan Resolution").

"BE IT RESOLVED THAT:

1. subject to the approval of the TSX Venture Exchange (the "TSX-V"), the Restricted Share Unit Plan (the "RSU Plan"), in the form attached as Schedule D to the Information Circular of the Corporation dated May 11, 2016, with any changes as may be required by the TSX-V, and the reservation of 2,176,303 common shares of the Corporation for issuance thereunder, be and the same is hereby approved;

2. any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution; and

3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed RSU Plan of the Corporation is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

The Board recommends that Shareholders vote FOR the RSU Plan Resolution set out above, and the Corporation has been advised that the Directors and senior officers of the Corporation intend to vote all Common Shares held by them in favour of the RSU Plan Resolution.

Summary of the RSU Plan

Set out below is a summary of the RSU Plan. This summary is qualified in its entirety by the full text of the RSU Plan, a copy of which is attached hereto as Schedule "D".

Eligible Participants

Employees and eligible consultants of the Corporation and its designated subsidiaries are eligible to participate in the RSU Plan. In accordance with the terms of the RSU Plan, the Board will approve those employees and eligible consultants who are entitled to receive RSUs and the number of RSUs to be awarded to each participant. RSUs awarded to participants are credited to them by means of an entry in a notional account in their favour on the books of the Corporation. Each RSU awarded conditionally entitles the participant to receive one Common Share (or the cash equivalent) upon attainment of the RSU vesting criteria.

Vesting

The vesting of RSUs is conditional upon (a) the expiry of a time-based vesting period; or (b) the achievement of vesting conditions stipulated by the Board. The duration of the vesting period and other vesting terms applicable to the grant of the RSUs shall be determined at the time of the grant by the Board. Once the RSUs vest, the participant is entitled to receive the equivalent number of underlying Common Shares or cash equal to the Market Value (defined below) of the equivalent number of Common Shares. "Market Value" per share is defined in the RSU Plan and means, as at any date, the arithmetic average of the closing price of the Common Shares traded on the TSXV (if the Common Shares are listed and posted for trading on the TSXV) for the five (5) trading days on which a board lot was traded immediately preceding such date. The vested RSUs may be settled: (a) through the issuance of Common Shares from treasury (subject to the Shareholder approval being sought at this Meeting); (b) by the delivery of Common Shares purchased in the open market; (c) in cash; or (d) in any combination of the foregoing, as determined by the Corporation in its sole discretion. If settled in cash, the amount shall be equal to the number of Common Shares in respect of which the participant is entitled multiplied by the Market Value of a Common Share on the payout date.

The RSUs may be settled on the payout date, which shall be the third anniversary of the date of the grant or such other date as the Board may determine at the time of the grant, which in any event shall be no later than the expiry date for

such RSUs. The expiry date of RSUs will be determined by the Board at the time of grant. However, the maximum term for all RSUs is 30 days after the participant ceases to be an employee or eligible consultant of the Corporation.

Maximum Number to be Granted

The RSU Plan includes the following restrictions on issuances:

a) The number of Common Shares reserved for issuance from treasury pursuant to the RSUs credited under the Plan shall be, in the aggregate, 2,176,303.
b) The number of Common Shares issuable from treasury to any one participant under the Plan, together with any Shares issuable pursuant to all other Security-Based Compensation Arrangements of the Corporation shall not exceed five percent (5%) of the issued and outstanding Common Shares from time to time.
c) The number of Common Shares issuable from treasury to Insiders under the RSU Plan, together with any Common Shares issuable pursuant to all other Security Based Compensation Arrangements (as defined in the RSU Plan) of the Corporation, within any one-year period, shall not exceed ten percent (10%) of the issued and outstanding Common Shares.

Cessation of Entitlement

Unless otherwise determined by the Corporation, on a participant's Termination Date (as defined in the RSU Plan), any unvested RSUs of such participant shall terminate and be null and void as of such date. Notwithstanding the foregoing where a Participant's Termination Date occurs: (a) by reason of the death of the participant, then all vested RSUs granted to such Participant will continue to vest during the six months following the participant's death and be paid out to the beneficiary of the participant in accordance with the RSU Plan provided that such vested RSUs shall terminate no later than the earlier of the expiry date for such RSUs and the date which is six months after the date of the participant's death; (b) for any reason other than the death, retirement or termination for cause of the participant, then such participant shall have the right to be paid out in respect of his or her outstanding vested RSUs in accordance with the RSU Plan provided that such vested RSUs shall terminate and be null and void on the date that is the earlier of the expiry date for such RSUs and the date which is 30 days after such participant's Termination Date.

All forfeited RSUs are available for future grants in accordance with the terms of the RSU Plan.

Transferability

RSUs are not assignable or transferable other than by operation of law, except, if and on such terms as the Corporation may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the participant, the participant's spouse, minor children or minor grandchildren, and after the participant's lifetime shall enure to the benefit of and be binding upon the participant's designated beneficiary.

Amendments to the RSU Plan

Following Shareholder approval of the RSU Plan Resolution, the Corporation may, without notice, at any time and from time to time, and without shareholder approval, amend the Plan or any provisions thereof in such manner as the Corporation, in its sole discretion, determines appropriate, including, without limitation:

a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
c) to change the vesting provisions of Share Units; or
d) to change the termination provisions of Share Units or the Plan which does not entail an extension beyond the original Expiry Date of the Share Units;

provided, however, that:

a) no such amendment of the Plan may be made without the consent of each affected Participant in the Plan if such amendment would adversely affect the rights of such affected Participant(s) under the Plan; and

b) shareholder approval shall be obtained in accordance with the requirements of the TSX Venture Exchange for any amendment that results in:

i. an increase in the maximum number of Shares issuable pursuant to the Plan;
ii. an extension of the Expiry Date for Share Units granted to Insiders under the Plan;
iii. other types of compensation through Share issuance;
iv. an expansion of the rights of a Participant to assign Share Units;
v. the addition of additional categories of Participants;
vi. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
vii. any amendments that will increase the Corporation's ability to amend the Plan without shareholder approval.

APPROVAL OF DEFERRED SHARE UNIT PLAN

Background

The Corporation is seeking Shareholder approval for a new Deferred Share Unit Plan (the "DSU Plan") and for the issuance of Common Shares from treasury pursuant to the DSU Plan. The Board has adopted the DSU Plan for the benefit of the Corporation's non-employee directors, of which the Corporation currently has four. The DSU Plan has been established to promote the interests of the Corporation by attracting and retaining qualified persons to serve on the Board and to promote a greater alignment of long term interests between DSU Plan participants and the shareholders of the Corporation.

The Board intends to use the Deferred Share Units ("DSUs") issued under the DSU Plan, as well as options issued under the Stock Option Plan, if any, as part of the Corporation's overall director compensation plan. Since the value of DSUs increase or decrease with the price of the Common Shares, DSUs reflect a philosophy of aligning the interests of directors with those of the Shareholders by tying compensation to share price performance.

At the Meeting, Shareholders will be asked to approve a resolution to approve the DSU Plan as a treasury-based plan. In order to be approved, the resolution must be passed by a majority of the votes cast by the holders of the Common Shares present in person or represented by proxy at the Meeting. **Unless instructions are given to decline to vote or to vote against concerning the following resolution, the persons whose names appear in the instrument of proxy intend to vote at the meeting in favor of the following resolution** (the "DSU Plan Resolution").

"BE IT RESOLVED THAT:

1. subject to the approval of the TSX Venture Exchange (the "TSX-V"), the Deferred Share Unit Plan (the "DSU Plan"), in the form attached as Schedule E to the Information Circular of the Corporation dated May 11, 2016 with any changes as may be required by the TSX-V, and the reservation of 2,176,303 common shares of the Corporation for issuance thereunder, be and the same is hereby approved;

2. any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution. and

3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed DSU Plan of the Corporation is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

The Board recommends that Shareholders vote FOR the DSU Plan Resolution, and the Corporation has been advised that the directors and senior officers of the Corporation intend to vote all Common Shares held by them in favour of the DSU Plan Resolution.

Summary of the DSU Plan

Set out below is a summary of the DSU Plan. This summary is qualified in its entirety by the full text of the DSU Plan, a copy of which is attached hereto as Schedule "E".

Administration of Plan

The DSU Plan provides that non-employee directors may elect to receive up to 100% of their annual retainer (the "Annual Base Compensation") in DSUs. A DSU is a unit credited to a Participant by way of a bookkeeping entry in the books of the Corporation, the value of which is equivalent to a Common Share. All DSUs paid with respect to Annual Base Compensation will be credited to the director by means of an entry in a notional account in their favour on the books of the Corporation (a "DSU Account") on a quarterly basis, with each installment payable as promptly as practicable following the last business day of the fiscal quarter to which it applies. The director's DSU Account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the payment date by the Share Price (defined below) of a Common Share at the time. "Share Price" is defined in the DSU Plan the closing price of a Common Share on the TSXV (if the Common Shares are listed and posted for trading on the TSXV) as averaged over the five (5) consecutive trading days immediately preceding the date of grant or the redemption date, as applicable.

Additionally, the Board may award such number of DSUs to a director as the Board deems advisable to provide the director with appropriate equity-based compensation for the services he or she renders to the Corporation. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to the director's DSU Account. The Corporation and a director who receives such an additional award of DSUs shall enter into a DSU award agreement to evidence the award and the terms applicable thereto.

Generally, a participant in the DSU Plan shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the date upon which the director ceases to hold any position as a director of the Corporation and its subsidiaries and is no longer otherwise employed by the Corporation or its subsidiaries, including in the event of death of the participant (the "Termination Date") and ending on the 90th day following the Termination Date. Upon redemptions under the DSU Plan, the Corporation shall issue or provide to the relevant director: (a) Common Shares issued from treasury equal to the number of DSUs in such director's account; (b) Common Shares purchased by the Corporation on the open market equal to the number of DSUs in such director's account; (c) payment of a cash amount to such director equal to the number of DSUs multiplied by the Share Price, or (d) by any combination of the foregoing, as determined by the Corporation in its sole discretion.

Restrictions on Issuances of DSUs

The aggregate number of DSUs outstanding pursuant to the DSU Plan from time to time shall not exceed 2,176,303, which number represents approximately 1% of the issued and outstanding shares of the Corporation as of the date hereof. The DSU Plan provides that the number of Common Shares reserved for issuance from treasury pursuant to the Deferred Share Units credited under the Plan shall not, in the aggregate, exceed 2,176,303.

The maximum number of Common Shares issuable to Insiders pursuant to the DSU Plan, together with any Common Shares issuable pursuant to any other Security Based Compensation Arrangement (as defined in the DSU Plan), at any time, shall not exceed 10% of the total number of outstanding Common Shares. Also, the maximum number of Common Shares issued to Insiders pursuant to the DSU Plan, together with any Common Shares issued pursuant to any other Security Based Compensation Arrangement, within any one-year period, shall not exceed 10% of the total number of outstanding Common Shares.

The aggregate value of DSUs granted to any one Director in any 12-month period under the DSU Plan, together with the aggregate value of awards to such director under any other Security Based Compensation Arrangement, shall not exceed $150,000 at the time of the grant.

All forfeited DSUs are available for future grants in accordance with the terms of the DSU Plan.

Transferability

No right to receive payment of DSUs and other benefits under the DSU Plan are transferable or assignable by a participant except by will or laws of descent and distribution.

Amendments to the DSU Plan

Subject to Shareholders approving the DSU Plan Resolution, the Plan may be amended, suspended or terminated at any time by the Board in whole or in part. In the event such Shareholder approval is obtained, thereafter the Board may at any time, and from time to time, and without any further shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan including amendments of a "clerical" or "housekeeping" nature;
b) to correct any ambiguity, defective provision, error or omission in the DSU Plan;
c) amendments to the termination provisions;
d) amendments necessary or advisable because of any change in applicable laws;
e) amendments to the transferability of DSUs;
f) amendments relating to the administration of the DSU Plan; and
g) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws;

provided, however, that:

a) no such amendment of the DSU Plan may be made without the consent of each affected participant in the DSU Plan if such amendment would adversely affect the rights of such affected Participant(s) under the DSU Plan; and
b) shareholder approval shall be obtained in accordance with the requirements of the TSX Venture Exchange for any amendment:
    i. to increase the maximum number of DSUs which may be issued;
    ii. an extension of the expiry date for DSUs granted to Insiders;
    iii. an expansion of the rights to assign DSUs;
    iv. the addition of additional categories of participants in the DSU Plan;
    v. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
    vi. any amendments that will increase the Corporation's ability to amend the Plan without shareholder approval.

SHAREHOLDER ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board believes that shareholders of the Corporation should have the opportunity to fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions and to have an advisory vote on the Board's approach to executive compensation. Accordingly, the Board has adopted a non-binding advisory vote relating to executive compensation to provide shareholders with the opportunity to vote "For" or "Against" the Corporation's approach to executive compensation through the following advisory resolution:

> "Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors nor the Corporate Governance and Compensation Committee, that the shareholders accept the approach to executive compensation disclosed in the Corporation's Management Proxy Circular delivered in advance of the 2016 Annual Meeting of shareholders."

The Board of Directors recommends a vote FOR the advisory resolution to accept the approach to executive compensation disclosed in Part Three of this Information Circular.

Please take some time to read the Report on Executive Compensation section of this Circular starting on page 15, which sets out the Corporation's compensation philosophy, the objectives of the different elements of the Corporation's compensation program, and the way performance is assessed and compensation decisions are made. The Corporation's executive compensation policies and procedures are designed to align the interests of executive officers with the interests of shareholders; to reinforce the key elements of the Corporation's strategy and align the executive team with the strategy; and to compensate executive officers at a level and in a manner that enables the Corporation to attract, motivate and retain individuals with exceptional skills.

Since this vote is advisory, it will not be binding upon the Board. However, the Board and, in particular, the Corporate Governance and Compensation Committee, will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with shareholders on compensation and related matters. The Corporation will disclose the results of the shareholder advisory vote as a part of its report on voting results for the meeting. The Board will disclose to shareholders as soon as is practicable, ideally within six months of the vote, and no later than in the management proxy circular for its next annual meeting, a summary of the significant comments relating to compensation received from shareholders in the engagement process and an explanation of the changes to the compensation plans made or to be made by the Board or why no changes will be made.

PART THREE – REPORT ON EXECUTIVE COMPENSATION

As at December 31, 2015, the end of the most recently completed financial year of the Corporation, the five Named Executive Officers (or "NEOs") of the Corporation were Ian Slater, Chairman and Chief Executive Officer, Robert Bell, Chief Operating Officer, Chui Wong, Chief Financial Officer and Jeff Toohey, Vice President of Exploration.

Compensation Discussion and Analysis

The Corporation's Board of Directors is responsible for adopting appropriate procedures with respect to the compensation of the Corporation's executive officers. The Corporation's executive compensation program is designed to achieve the following objectives:

- attract, retain, and motivate people of the highest quality;
- align the interests of the CEO and the senior executives with the Corporation's shareholders;
- create incentives to achieve established corporate and individual performance objectives;
- properly reflect the respective duties and responsibilities of the senior executives; and
- create incentives relating to risk management and regulatory compliance.

These objectives are embedded in the Charter of the Corporate Governance and Compensation Committee, and reflect the Corporation's pay-for-performance philosophy for compensation of its executives. Each of the elements of the Corporation's compensation program (base salary, annual incentive and long-term incentives) is designed to achieve one or more of these objectives, both in the short and long-term.

Peer Group Analysis Relevant to Executive Compensation Decisions

The Corporate Governance and Compensation Committee of the Corporation, as well as select members of the Corporation's executive team, met with an external compensation consultant, Lane Caputo Compensation Inc., to review the compensation philosophy, business plans and scope of operations of the Corporation, and to clarify the duties and responsibilities of the positions to be reviewed and developed a peer group of companies against which to benchmark the Corporation's compensation arrangements. An effort was made to match the development stages of peer companies. The peer group consists of companies that are in the process of constructing a mine or have recently achieved commercial production and have the associated management team in place to manage the project into production. As the magnitude of executive compensation is closely correlated to the size of organization the executive oversees, compensation levels were generally compared to companies that would be considered of relevant size to the Corporation based on market capitalization. Geographic similarity of peer companies allowed for a more accurate benchmarking of comparable skillsets used to manage international versus domestic operations. Internationally-

focused companies were a focus as the risk/reward profile of international operations warranted consideration, as well as the market for executives with international operating experience, all which have an influence on pay practices.

In order to benchmark the compensation competitiveness of the Corporation's executive team members and non-management directors, the following peer group was developed:

- Argonaut Gold Inc.
- Asanko Gold Inc.
- Aureus Mining Inc.
- Banro Corp.
- GoGold Resources Inc.
- Goldrock Mines Corp.
- Great Panther Silver Ltd.
- Guyana Goldfields Inc.
- Katanga Mining Ltd.
- Mandalay Resources Corp.
- Platinum Group Metals Ltd.
- Roxgold Inc.
- Sierra Metals Inc.
- Teranga Gold Corp.
- Timmins Gold Corp.
- Trevali Mining Corp.
- True Gold Mining Inc.

The purpose of the peer-review process is to help the Board understand the competitiveness of current pay levels for each executive position relative to other reporting issuers. This allows the Board to identify and understand any gaps that may exist between the Corporation's executive compensation levels and market compensation levels and to potentially address any such disparities, through adjustments to executive compensation.

Compensation Components

In 2015, the compensation of the NEOs was comprised primarily of (i) base salary, and (ii) long-term incentives in the form of stock options granted in accordance with the Stock Option Plan. To date, no specific formula has been developed to assign a specific weighting to each of these components. In establishing levels of executive compensation, the Board of Directors takes into account the stage of development of the Corporation, the Corporation's assets and strategic objectives as well as each executive officer's level of responsibility, duties, and contributions to the Corporation.

Base Salary

The Board of Directors approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and performance of the particular individual. The Board, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

Option Based Awards

The Corporation has in effect the Stock Option Plan in order to provide an effective long-term incentive to directors, officers, employees and consultants of the Corporation by permitting such individuals to benefit directly from an increase in the market price of the Corporation's Shares, and thereby to further align their interests with those of the Corporation's Shareholders. The Stock Option Plan is also intended to reinforce management's commitment to long-term growth in profitability and shareholder value, and as such is an important part of the Corporation's long-term incentive strategy for its executive officers to align its interests with those of the Corporation's shareholders.

All option grants are approved by the Board of Directors. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such executive officer contributes to the Corporation's long-term success. Previous grants of stock options are also taken into account when considering new grants. The Board is proposing certain amendments to the Stock Option Plan, as described in detail above under the heading "*Approval of Stock Option Plan*".

Compensation Risk

The Corporate Governance and Compensation Committee holds certain risk management responsibilities in respect of those risks within its area of focus. The Board strives to ensure that the members of the Corporate Governance and Compensation Committee have the skills and experience required to make decisions on whether the Company's

compensation policies and practices are consistent with its risk profile. The Corporate Governance and Compensation Committee avoids compensation policies which encourage excessive risk taking, such as compensation policies that allow pay out before the risks associated with the performance are likely to materialize, and policies that do not include regulatory compliance and risk management as part of their performance metrics. In the Corporate Governance and Compensation Committee's view, compensation outcomes must be symmetric with risk outcomes. Variable compensation for senior executives is considered more risk-aligned when it is deferred. The Corporate Governance and Compensation Committee is also sensitive to the possible reputational damage that could be suffered by the organization where executives are not compensated in a manner that is consistent with the objectives of the Corporation's executive compensation program or that is otherwise not in the best interests of the Corporation and its stakeholders. Other mechanisms used to mitigate executive compensation risks include the Corporation's Minimum Equity Ownership Policy and Anti-Hedging Policy.

Anti-Hedging Policy

The Board of Directors has adopted an Anti-Hedging Policy to prohibit directors and officers of the Corporation from directly or indirectly engaging in hedging against future declines in the market value of any equity-based securities of the Corporation through the purchase of financial instruments designed to offset such risk. The Board believes that purchases of such financial instruments may undermine the purpose for which such securities are granted. Specifically, the Anti-Hedging Policy prohibits directors and officers from engaging in any kind of hedging transaction that could reduce or limit the director's or officer's economic risk with respect to his holdings, ownership or interest in or to Common Shares or other securities of the Corporation, including without limitation outstanding stock options, restricted share units, deferred share units or other compensation awards the value of which are derived from, referenced to or based on the value or market price of Common Shares or other securities of the Corporation. Prohibited transactions include the purchase by a director or officer of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of the Corporation.

Compensation Governance

The Corporation has a Corporate Governance and Compensation Committee which currently consists of Messrs. Sujir (Chair), Mason and Pease. All members of the Corporate Governance and Compensation Committee have extensive relevant professional experience and expertise pertaining to executive compensation considerations. Mr. Pease, Mr. Mason and Mr. Sujir are independent directors as defined in Section 1.4 of National Instrument 52-110. The duties and responsibilities of the Corporate Governance and Compensation Committee relating to executive compensation include:

a) annually review the Chief Executive Officer's and the senior executives' performance objectives and, in the Committee's discretion, recommend any changes to the Board for consideration;
b) annually review and evaluate the Chief Executive Officer's performance in light of pre-established performance objectives and report its conclusions to the Board;
c) annually review the Chief Executive Officer's compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;
d) annually review the Chief Executive Officer's recommendations for the senior executives' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;
e) annually review levels of minimum equity ownership of directors and senior officers and make recommendations to the Board for consideration;
f) ensure compensation policies for the Chief Executive Officer and the senior executives: (i) properly reflect their respective duties and responsibilities; (ii) are competitive in attracting, retaining and motivating people of the highest quality; and (iii) align the interests of the Chief Executive Officer and the senior executives with those of the shareholders, and are based on established corporate and individual performance objectives, as appropriate;
g) annually review directors' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;
h) review all annual executive compensation disclosure prior to such being publicly released; and
i) consider the implications of risks associated with the Corporation's compensation policies and practices.

The Corporate Governance and Compensation Committee may also seek compensation advice from external compensation consultants in its analysis of appropriate compensation levels for the Corporation's directors and executive officers.

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEO's during the three most recently completed financial year(s) in which they were acting in the capacity of a NEO.

Name and principal position (a)	Year (b)	Salary ($) (c)	Grant date fair value of share-based awards ($) (d)	Grant date fair value of option-based awards ($) (e) (3)	Non-equity incentive plan compensation ($) (f)		Pension value ($) (g)	All other compen-sation ($) (h)	Total compen-sation ($) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Ian Slater[4] Chairman & CEO	2015	$300,000	Nil	$316,847	$150,000	Nil	Nil	$5,812	$772,659
	2014	$280,000	Nil	$67,640	$175,000	Nil	Nil	$6,745	$529,385
	2013	$250,000	Nil	Nil	Nil	Nil	Nil	$5,898	$255,898
Chui Wong[1] CFO	2015	$109,091	Nil	$58,867	Nil	Nil	Nil	$11,224	$179,182
Scott Turton[2] Interim CFO	2015	$14,167	Nil	$7,408	Nil	Nil	Nil	$358	$21,933
Robert Bell COO	2015	$300,000	Nil	$316,847	$125,000	Nil	Nil	$3,048	$744,895
	2014	$150,000	Nil	$67,640	$125,000	Nil	Nil	$2,995	$345,635
	2013	$150,000	Nil	Nil	Nil	Nil	Nil	$3,030	$153,030
Jeff Toohey VP Exploration[5]	2015	$154,000	Nil	$29,434	Nil	Nil	Nil	$4,566	$188,000
	2014	$149,000	Nil	$13,048	Nil	Nil	Nil	$4,470	$166,518
	2013	$159,000	Nil	$47,734	Nil	Nil	Nil	$7,702	$214,436

(1) *Mr. Wong was appointed CFO on June 15, 2015. The Corporation entered into an executive employment agreement dated May 1, 2015 (the "Wong Agreement") with Mr. Wong pursuant to which the Corporation agreed to pay Mr. Wong an annual salary of $200,000 plus bonuses at the discretion of the Board of Directors. See "Termination and Change of Control Benefits" for additional information.*

(2) *Mr. Turton was Interim CFO from April 13, 2015 to June 15, 2015. Mr. Turton is employed by a services company that provided services to Red Eagle Mining Corporation. Mr. Turton's total salary paid by the services company in 2015 was $85,000 of which $14,167 has been allocated to the Corporation. This allocation is based upon the proportion of services company costs that are attributable and cross-charged to Red Eagle Mining Corporation as a percentage of total services company costs.*

(3) *On May 6, 2015 Mr. Slater was granted 500,000 options, Mr. Bell was granted 500,000 options and Mr. Turton was granted 75,000 options. All options are exercisable at $0.33 until May 6, 2020. The grant date fair values of these options granted were determined using the Black-Scholes Merton option valuation model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of between 2.5 and 5 years, estimated volatility of 100%, a risk free interest rate between 0.69% and 1.73% and the share price on grant date assumed to be $0.33. This resulted in grant date fair values of between $0.18 and $0.21. Grant date fair value varies depending on vesting date. On October 6, 2015, Mr. Slater was granted 1,600,000 options, Mr. Bell was granted 1,600,000 options, Mr. Wong was granted 400,000 options, and Mr. Toohey was granted 200,000 options. All options are exercisable at $0.275*

until October 7, 2020. The grant date fair values of these options granted were determined using the Black-Scholes Merton option valuation model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of between 2.5 and 5 years, estimated volatility of 86.48%, a risk free interest rate between 0.54% and 0.82% and the share price on grant date assumed to be $0.275. This resulted in grant date fair values of between $0.14 and $0.18. Grant date fair value varies depending on vesting date.

On April 9, 2014 Mr. Slater was granted 400,000 options, Mr. Bell was granted 400,000 options and Mr. Jeff Toohey was granted 100,000 options. All options are exercisable at $0.33 until April 9, 2019. The grant date fair values of these options granted were determined using the Black-Scholes Merton option valuation model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of between 2.5 and 5 years, estimated volatility of 100%, a risk free interest rate between 1.15% and 1.71% and the share price on grant date assumed to be $0.31. This resulted in grant date fair values of between $0.18 and $0.23. Grant date fair value varies depending on vesting date.

(4) The Corporation entered into an executive employment agreement dated October 16, 2012 (the "Slater Agreement") with Mr. Slater pursuant to which the Corporation agreed to pay Mr. Slater an annual salary of $250,000, which has been updated to an annual salary of $300,000 for 2015, plus bonuses at the discretion of the Board of Directors. See "Termination and Change of Control Benefits" for additional information.

(5) On December 4, 2012, Mr. Toohey entered into an executive employment agreement (the "Toohey Agreement") and was appointed VP Exploration effective January 1, 2013. Pursuant to the agreement the Corporation agreed to pay Mr. Toohey a salary of $1,000 per day. See "Termination and Change of Control Benefits" for additional information.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at December 31, 2015:

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money-options ($)[1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards not paid out or distributed ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	
Ian Slater Chairman & CEO	300,000 400,000 500,000 1,600,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 April 9, 2019 May 6, 2020 Oct 7, 2020	$8,000	Nil	Nil	Nil
Chui Wong CFO	400,000	$0.275	Oct 7, 2020	$2,000	Nil	Nil	Nil
Scott Turton[2] Interim CFO	30,000 55,000 75,000 200,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 April 9, 2019 May 6, 2020 Oct 7, 2020	$1,000	Nil	Nil	Nil
Jeff Toohey VP Exploration	250,000 100,000 200,000	$0.55 $0.33 $0.275	Dec 6, 2017 Apr 9, 2019 Oct 7, 2020	$1,000	Nil	Nil	Nil
Robert Bell COO	300,000 400,000 500,000 1,600,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 Apr 9, 2019 May 6, 2020 Oct 7, 2020	$8,000	Nil	Nil	Nil

(1) Based on the difference between the exercise price of the option and the closing market price of Common Shares on the TSX Venture Exchange on the last day of the most recently completed financial year (or, in the event there was no trade, the most recent closing market price prior thereto), being $0.28 as of December 31, 2015

(2) Mr. Turton was appointed Interim CFO from April 13, 2015 to June 15, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2014 in respect of incentive awards to the Named Executive Officer:

Name	Option-based awards–Value vested during the year ($)[(1)]	Share-based awards–Value vested during the year ($)	Non-equity incentive plan compensation–Value earned during the year ($)
Ian Slater Chairman & CEO	Nil	Nil	Nil
Chui Wong CFO	Nil	Nil	Nil
Jeff Toohey VP Exploration	Nil	Nil	Nil
Scott Turton Interim CFO	Nil	Nil	Nil
Robert Bell COO	Nil	Nil	Nil

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Corporation's common shares on the TSX Venture Exchange on the vesting date.

Narrative Discussion

The grant of stock options to NEO's pursuant to the Corporation's Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards".

As at the end of the financial year ended December 31, 2015, NEOs held 6,905,000 of the 14.365.000 then issued and outstanding stock options.

Termination and Change of Control Benefits

During the year ended December 31, 2015, other than as set out below, the Corporation did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Corporation or a change in an NEO's responsibilities.

Pursuant to the Slater Agreement, in the event that the Corporation terminates Mr. Slater's employment without cause, the Corporation shall pay an amount equal to 12 months' base salary plus one-twelfth of annual gross earnings for each completed year of service Mr. Slater has with the Corporation, plus payment equal to the equivalent amount of premiums for benefits which are cancelled under the agreement. Base salary under the Slater Agreement is $250,000 per annum. Annual gross earnings are defined as twelve months' base salary plus the average annual bonus paid for the last three full calendar years of employment. If Mr. Slater's employment is terminated on or within 12 months of a change in control of the Corporation, the Corporation must pay Mr. Slater a cash sum equal to the aggregate of two times annual gross earnings and 25% of two times annual base pay in lieu of benefits.

Pursuant to the Toohey Agreement, in the event that the Corporation terminates Mr. Toohey's employment without cause, the Corporation shall pay an amount equal to 2 months' base salary during the first 24 months, plus one-twelfth of annual gross earnings for each subsequent year of service Mr. Toohey has with the Corporation to a maximum 12 months. Base salary under the Toohey Agreement is $1,000 per day, with a minimum of 10 days a month and 50% of total working days per calendar year. If Mr. Toohey's employment is terminated on or within 6 months of a change in control of the Corporation, the Corporation must pay Mr. Toohey a cash sum equal to twelve months' base pay.

Pursuant to the Wong Agreement, in the event that the Corporation terminates Mr. Wong's employment without cause, the Corporation shall pay an amount equal to 1-month base salary during the first 12 months, plus one-twelfth of annual gross earnings for each subsequent year of service Mr. Wong has with the Corporation to a maximum 12

months. Base salary under the Wong Agreement is $200,000 per annum. If Mr. Wong's employment is terminated on or within 6 months of a change in control of the Corporation, the Corporation must pay Mr. Wong a cash sum equal to twelve months' base pay.

Director Compensation

Only directors who are not executive officers are compensated for acting in the capacity of director. During the year ended December 31, 2015, non-executive directors were paid fees in respect of their role as a director to the Corporation as set out in the table below.

Director Compensation Table

The following table sets forth particulars of all compensation paid to directors who were not executive officers during the year ended December 31, 2015:

Name (a)	Fees earned ($) (b)	Share-based awards ($) (c)	Option-based awards[3] ($) (d)	Non-equity incentive plan compensation ($) (e)	Pension value ($) (f)	All other compensation ($) (g)	Total ($) (h)
Jay Sujir	$25,500	Nil	Nil	Nil	Nil	Nil	$25,500
Jeffrey Mason	$27,000	Nil	Nil	Nil	Nil	Nil	$27,000
Ken Cunningham[1]	$13,000	Nil	Nil	Nil	Nil	Nil	$13,000
Robert Pease	$21,000	Nil	Nil	Nil	Nil	Nil	$21,000
Tim Petterson	$21,000	Nil	Nil	Nil	Nil	Nil	$21,000
Stephen Dixon[2]	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Ken Cunningham ceased to become a Director on August 21, 2015
(2) Stephen Dixon was appointed as a Director on August 21, 2015
(3) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Corporation's common shares on the TSX Venture Exchange on the vesting date.

Narrative Discussion

There are no arrangements under which directors of the Corporation who were not NEOs were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants, except as disclosed above.

Director Share-based Awards, Option-based Awards and Non-Equity Incentive Plan Compensation

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Corporation who were not NEOs.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
Jay Sujir	100,000 100,000 150,000 300,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 Apr 9, 2019 May 6, 2020 Oct 7, 2020	$1,500	Nil	Nil	Nil
Jeffrey Mason	125,000 125,000 150,000 600,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 April 9, 2019 May 6, 2020 Oct 7, 2020	$3,000	Nil	Nil	Nil
Robert Pease	100,000 100,000 200,000 300,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 April 9, 2019 May 6, 2020 Oct 7, 2020	$1,500	Nil	Nil	Nil
Tim Petterson	100,000 100,000 200,000 300,000	$0.55 $0.33 $0.33 $0.275	Dec 6, 2017 Apr 9, 2019 May 6, 2020 Oct 7, 2020	$1,500	Nil	Nil	Nil
Stephen Dixon	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Based on the difference between the exercise price of the option and the closing market price of the Common Shares on the TSX Venture Exchange on the last day of the most recently completed financial year (or, in the event there was no trade, the most recent closing market price prior thereto), being $0.28 as of December 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2015 in respect of incentive awards to the Directors:

Name	Option-based awards–Value vested during the year[3] ($)	Share-based awards–Value vested during the year ($)	Non-equity incentive plan compensation–Value earned during the year ($)
Ian Slater	Nil	Nil	Nil
Robert Bell	Nil	Nil	Nil
Robert Pease	Nil	Nil	Nil
Jeffrey Mason	Nil	Nil	Nil
Jay Sujir	Nil	Nil	Nil
Ken Cunningham[1]	Nil	Nil	Nil
Tim Petterson	Nil	Nil	Nil
Stephen Dixon[2]	Nil	Nil	Nil

(1) Ken Cunningham ceased to become a Director on August 21, 2015
(2) Stephen Dixon was appointed as a Director on August 21, 2015
(3) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Corporation's common shares on the TSX Venture Exchange on the vesting date.

Narrative Discussion

The grant of stock options to directors pursuant to the Corporation's Option Plan is discussed above under the heading "Compensation Discussion & Analysis – Option Based Awards".

During the most recently completed financial year, the Corporation granted 675,000 stock options to directors who are not NEO's. As at the end of said financial year, directors who are not NEO's held 1,300,000 of the 4,347,500 then issued and outstanding stock options.

PART FOUR – OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2015:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	14,365,000	$0.44	3,777,925
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	14,365,000	$0.44	3,777,925

For further information on the Corporation's equity compensation plans, refer to the heading "Stock Option Plan", above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102, none of:

(a) the individuals who are, or at any time since the beginning of the last financial year of the Corporation were, a director or executive officer of the Corporation;
(b) the proposed nominees for election as a Director of the Corporation; or
(c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any subsidiary of the Corporation, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein:

a) no person who has been a Director or Executive Officer of the Corporation at any time since the beginning of the last financial year of the Corporation;
b) no proposed nominee for election as a Director of the Corporation; or
c) 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 matters to be acted upon at the Meeting exclusive of the election of Directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Corporation's financial statements for the financial year ended December 31, 2015, none of:

a) the Informed Persons of the Corporation;
b) the proposed nominees for election as a Director of the Corporation; or
c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in a proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

AUDIT COMMITTEE DISCLOSURE

The charter of the Corporation's Audit Committee and the other information required to be disclosed by NI 52-110F2 is attached to this Information Circular as Schedule "A".

MANAGEMENT CONTRACTS

Management functions of the Corporation are not, to any substantial degree, performed by a person or persons other than the Directors or Senior Officers of the Corporation.

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this Information Circular as Schedule "B".

OTHER MATTERS

The Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Copies of the Corporation's financial statements and MD&A may be obtained without charge upon request from the Corporation's registered and records office 920 – 1030 West Georgia Street, Vancouver, BC V6E 2Y3, phone (604) 638-2545. Financial information on the Corporation is provided in its audited financial statements and MD&A for the year ended December 31, 2015.

DIRECTOR APPROVAL

The contents of this Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 11th day of May, 2016.

ON BEHALF OF THE BOARD OF DIRECTORS

OF RED EAGLE MINING CORPORATION



Ian Slater, CEO

SCHEDULE "A"
RED EAGLE MINING CORPORATION
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

PURPOSE

The Audit Committee ("Committee") is appointed by the Corporation's board of directors (the "Board") to assist the Board in overseeing and monitoring: (1) the integrity of the financial statements of the Corporation; (2) the compliance by the Corporation with legal and regulatory requirements; (3) the independence and performance of the Corporation's independent auditors, which independent auditors shall report directly to the Audit Committee; and (4) the auditing, accounting and financial reporting processes generally.

1. COMPOSITION, PROCEDURES AND ORGANIZATION

1.1 The Committee shall consist of at least three (3) members of the Board of Directors (the "**Board**"). Members of the Audit Committee shall be appointed by the Board and may be removed or replaced by the Board, from time to time, in its discretion. There shall be a chairman of the Audit Committee, who shall be appointed by the Board. The members of the Audit Committee shall meet the independence and experience requirements for Audit Committee members of applicable securities laws and any exchange or quotation system upon which the Corporation's securities are listed or quoted.

1.2 Review and reassess the adequacy of this Audit Committee Charter ("Charter") annually and recommend any proposed changes to the Board for approval.

1.3 The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

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

1.5 Meetings of the Committee shall be conducted as follows:

a. the Committee shall meet as necessary to fulfill its duties and responsibilities in person or via telephone at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

b. the external auditors shall attend meetings at the request of the Committee; and

c. management representatives may be invited to attend meetings except private sessions with the external auditors.

1.6 The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee/consultant of the Corporation as it deems necessary, and any employee / consultant may bring before the Committee any matter, including questionable, illegal or improper financial practices or transactions and or positive input on good sound practices and transactions.

1.7 The Committee shall have the authority:

a. to engage independent counsel and other advisors as it determines necessary to carry out its duties,

b. to set and pay the compensation for any advisors employed by the Committee; and

c. to communicate directly with the external auditors.

1.8 While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.

2. OVERALL DUTIES AND RESPONSIBILITIES

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

a. review and approval of the annual audited financial statements, the interim financial statements, management's discussion and analysis, and press releases with respect to disclosure of financial information;

b. review of the Corporation's accounting principles, reporting practices and adequacy of internal controls;

c. review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including an analysis of the effect of alternative accounting methods, if any, on the Corporation's financial statements;

d. ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements;

e. establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

f. establish a procedure for the confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

g. establish and maintain a direct line of communication with the Corporation's external auditors and assess their performance;

h. ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

i. report regularly to the Board on the fulfillment of its duties and responsibilities.

3. EXTERNAL AUDITORS

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

a. recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

b. review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

c. review the audit plan of the external auditors prior to the commencement of the audit; and

d. review with the external auditors:

i. non-audit services provided by the external auditors;

ii. the quality including the acceptability of the Corporation's accounting principles; and

iii. procedures to ensure that the Committee meets with the external auditors on a regular basis in the absence of management.

4. INTERNAL CONTROLS

4.1 The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation shall be as follows:

a. review the appropriateness and effectiveness of the Corporation's policies, internal controls, and business practices which have a financial impact on the Corporation, including those relating to insurance, accounting, information systems and financial controls, management reporting, tax and risk management;

b. concurrently with the Corporate Governance Committee review compliance under the Corporation'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 Corporation; and

d. periodically review the Corporation's financial and internal control procedures and the extent to which recommendations made by the external auditors have been implemented.

5. OTHER DUTIES AND RESPONSIBILITES

5.1 Other duties and responsibilities of the Committee shall be as follows:

a. review, approve and report to the Board with respect to the financial sections of:

i. the annual report to Shareholders;

ii. the annual information form, if required;

iii. prospectuses; and

iv. other public reports of a financial nature requiring approval by the Board;

b. review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

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

d. review the minutes of any audit committee meeting of subsidiary companies;

e. 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 Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

f. review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

g. develop a calendar of activities to be undertaken by the Committee for each ensuing year based on this Charter.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Jeffrey Mason (Chair), Robert Pease and Jay Sujir. All of the members are financially literate. Mr. Pease and Mr. Mason are Independent. "Independent" and "financially literate" have the meaning used in *National Instrument 52-110 Audit Committees* ("NI 52-110") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The relevant education and/or experience of each member of the Audit Committee is as follows:

Mr. Jeffrey Mason

Mr. Mason is a Director of the Corporation. Mr. Mason is a Chartered Professional Accountant and holds an Institute of Corporate Directors designation. He has over 25 years of public company experience in exploration, development, construction and operation for gold, silver, copper, nickel, lead, zinc, platinum group metals and diamond projects in the Americas, Asia and Africa. In 2004, he was awarded the BC Ernst & Young Entrepreneur of the Year Award (Natural Resources Category). He has expertise in operations and construction reporting, mergers and acquisitions, exploration, corporate finance, exploration regulatory reporting, and corporate governance including 15 years (1994-2008) as a Principal with, and Chief Financial Officer of, Hunter Dickinson Inc., which included experience also as Chief Financial Officer, Corporate Secretary and director for 15 public companies listed on the TSX, TSX Venture Exchange, NYSE MKT and NASDAQ. Mr. Mason served as director and audit chair for eight years of TSX/NASDAQ-listed, Coastal Contacts Inc., an online e-retailer with annual sales of over $220 million and 650 employees, until its sale for $430 million to Essilor International in 2014. He began his career with Deloitte LLP as a Chartered Accountant, followed by six years at Homestake Mining Company (merged with Barrick Gold Corporation) in mineral exploration, construction and operations reporting. Currently, Mr. Mason is the Chief Financial Officer of Wellgreen Platinum Ltd. Mr. Mason also sits as an independent board member of three TSX Venture Exchange listed issuers including Red Eagle Mining Corporation (since 2010), Amarc Resources Ltd., and Libero Mining Corporation plus one TSX listed issuer, Great Panther Silver Limited, with a goal to provide the benefits of his years of public company experience to guide their development. He attended all (100%) committee and board meetings in the year, and is scheduled to tour the Corporation's construction operations in Columbia in June 2016. In 2015, he notably resigned from the board of the TSX listed Wellgreen Platinum Ltd in order to dedicate more time to the Corporation.

The following details continuing education during the financial year ended December 31, 2015:

Chartered Accountant/CPA PD courses and seminars, various in 2015

Cambridge Resource Investment Conference, January 2015

The Association for Mineral Exploration BC Round up, January 2015

COSO Framework presentation by Grant Thornton, September 2015

Gold Silver Producing Mine tour, Mexico and Peru, October 2015

Mr. Jay Sujir

Mr. Sujir is a Director of the Corporation. Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris, Vaughan, Wills & Murphy LLP since May 2015. He was previously a partner with Anfield Sujir Kennedy & Durno LLP and its predecessor firms from 1991 to May 2015. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia, the Canadian Bar Association, and the British Columbia Advisory Committee of the TSX Venture Exchange.

Mr. Robert Pease

Mr. Robert Pease is a Director of the Corporation. Mr. Pease was previously the CEO and a director of Sabina Gold & Silver Corp. Mr. Pease was previously the founder, CEO and a Director of Terrane Metals which was acquired in 2010 by Thompson Creek Metals. Previously, he was employed by Placer Dome for twenty-five years, most recently as General Manager, Canada Exploration and Global Major Projects. He was responsible for managing all aspects of Placer Dome's Canadian exploration, and overseeing the geological aspects of world-wide advanced, major exploration and developments projects. Mr. Pease holds a B.Sc. degree in Earth Science from the University of Waterloo, a Professional Geologist (British Columbia) certification and is a Fellow of the Geologic Association of Canada. He is also a past Chairman of the Association for Mineral Exploration British Columbia.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently Ernst & Young, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not at any time since December 31, 2014 relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of NI 52-110.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

All services to be performed by the Corporation's independent auditor must be approved in advance by the Audit Committee or a designated member of the Audit Committee ("Designated Member"). The Designated Member is a member of the Audit Committee who has been given the authority to grant pre-approvals of the permitted audit and non-audit services.

The Audit Committee has considered whether the provision of services other than the audit services is compatible with maintaining the auditors' independence and had adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee or the Designated Member of all audit and non-audit services provided by the external auditor, other than the *de minimis* non-audit services allowed by the applicable law or regulation. The decisions of the Designated Member to pre-approve a permitted service are reported to the Audit Committee at its regularly scheduled meetings.

Pre-approval from the Audit Committee or Designated Member can be sought for planned engagements based on budgeted or committed fees. No further approval is required to pay pre-approved fees. Additional pre-approval is required for any increase in the scope or in final fees.

Pursuant to these procedures, 100% of each of the services provided by the Corporation's external auditors relating to the fees reported as audit, audit-related, tax and all other fees were pre-approved by the Audit Committee or the Designated Member.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

Ernst & Young LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as the auditors of the Corporation with their remuneration to be fixed by the Board of Directors. Ernst & Young LLP have been the Corporation's auditors since December, 2010.

Fees billed by Ernst & Young and its affiliates for the year ended December 31, 2015 and the year ended December 31, 2014 were approximately $238,000 and $213,000, respectively. The aggregate fees billed by the auditors in fiscal 2015 and fiscal 2014 are detailed below.

(Canadian $ in 000's)	2014	2015
Audit Fees	$58	$75
Statutory Audit Fees (a)	$30	$30
Quarterly Reviews	$ -	$50
Circular / Prospectus Fees	$90	$15
Audit Related Fees (b)	$21	$15
Tax Fees	$14	$53
Total	$213	$238

(c) Fees for the Colombian statutory audit.
(d) Fees for accounting consultation on matters addressed during the audit or interim reviews.

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110 Audit Committees with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) thereof.

SCHEDULE "B"
RED EAGLE MINING CORPORATION
CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the corporate governance corporate governance practices of the Corporation are as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Corporation facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

Mr. Jeffrey Mason is an "independent" director of the Corporation within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, including because he has no business or other relationship which could, in the view of the Board, reasonably be expected to interfere with the director's exercise of independent judgment.

Mr. Robert Pease is an "independent" director of the Corporation within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, including because he has no business or other relationship which could, in the view of the Board, reasonably be expected to interfere with the director's exercise of independent judgment.

Mr. Tim Petterson is an "independent" director of the Corporation within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, including because he has no business or other relationship which could, in the view of the Board, reasonably be expected to interfere with the director's exercise of independent judgment.

Mr. Stephen Dixon is an "independent" director of the Corporation within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, including because he has no business or other relationship which could, in the view of the Board, reasonably be expected to interfere with the director's exercise of independent judgment.

Mr. Jay Sujir is an "independent" director of the Corporation within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, including because he has no business or other relationship which could, in the view of the Board, reasonably be expected to interfere with the director's exercise of independent judgment.

Mr. Ian Slater is the Chief Executive Officer of the Corporation and is therefore not independent within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*.

Mr. Robert Bell, is the Chief Operating Officer of the Corporation and is therefore not independent within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices.*

ITEM 2. DIRECTORSHIPS

The directors of the Corporation are currently directors of the following other reporting issuers:

Name of Director	**Name of Reporting Issuer**
Ian Slater	Libero Mining Corporation CB Gold Inc.
Jeffrey Mason	Amarc Resources Ltd. Libero Mining Corporation Great Panther Silver Limited

Name of Director	Name of Reporting Issuer
Jay Sujir	Uracan Resources Ltd. Cannon Point Resources Ltd. Excelsior Mining Corp. Libero Mining Corporation NEMI Northern Energy & Mining Inc. Carlin Gold Corporation Roughrider Exploration Limited CB Gold Inc. Libero Mining Corporation
Tim Petterson	Libero Mining Corporation CB Gold Inc.
Robert Bell	Libero Mining Corporation
Robert Pease	Endurance Gold Corporation Pilot Gold Inc. Pure Gold Mining Inc. Luna Gold
Stephen Dixon	None

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

New members of the Board are briefed on the corporate governance practices of the Corporation, and provided with all relevant information regarding the Corporation and its business.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties of directors under applicable corporate legislation, including with respect to potential conflicts of interest, have been sufficient to ensure that the Board operates independently of management and otherwise in the best interests of the Corporation. The Board Mandate, Committee Charters as well as the other corporate governance policies of the Corporation also encourage and promote a culture of ethical business conduct.

ITEM 5. NOMINATION OF DIRECTORS

The Corporate Governance and Compensation Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board director nominees for the next annual meeting the shareholders. In accordance with its Charter, the Corporate Governance and Compensation Committee on an annual basis must: (a) review and assess the size, composition and operation of the Board to ensure effective decision making; (b) review and assess the size, composition and Chairmen of all Board Committees; (c) identify and review candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications and experience of the candidates, and make recommendations to the Board for consideration. New nominees must have business expertise and experience that allows the individual to make a meaningful contribution to the Corporation, the ability to devote the requisite time required to perform the duties of a director, demonstrated support for the Corporation's strategic objectives and expressed a willingness to serve as a director.

ITEM 6. COMPENSATION

The Board of Directors, with the assistance of the Corporate Governance and Compensation Committee, is responsible for determining the compensation of the Corporation's directors and executive officers. The CEO's compensation is comprised primarily of base salary and long term incentives in the form of stock options. In establishing compensation, the Board of Directors and the Corporate Governance and Compensation Committee take into account the stage of development of the Corporation, the size of the Corporation and the Corporation's success in achieving

its strategic objectives, as well as each officer's level of responsibility, duties and contributions to the Corporation. Only non-executive directors receive compensation for acting as a director of the Corporation.

ITEM 7. OTHER BOARD COMMITTEES

In addition to the Audit Committee and the Corporate Governance and Compensation Committee, the Corporation also has a Technical and Sustainability Committee. The Technical and Sustainability Committee is required to assist the Board in fulfilling its oversight responsibilities with respect to: (i) technical matters relating to the Corporation's mining activities; (ii) the Corporation's procedures for the preparation and disclosure of resource and reserve information for the Corporation's properties; (iii) operating and production plans for proposed and existing operating mines; and (iv) policies and practices regarding sustainability matters, including environment, social responsibility and health and safety.

ITEM 8. ASSESSMENTS

In accordance with its Charter, the Corporate Governance and Compensation Committee on an annual basis must: (a) review and assess the size, composition and operation of the Board to ensure effective decision making; (b) review and assess the size, composition and Chairmen of all Board Committees; (c) identify and review candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications and experience of the candidates, and make recommendations to the Board for consideration; and (d) conduct an assessment of the Board's performance and effectiveness and report to the Board the results thereof. Also, under the terms of the Charters of each of the Corporate Governance and Compensation Committee and the Technical and Sustainability Committee, the Board and each such Committee must annually assess its effectiveness with a view to ensuring that the performance of the Committees accords with best practices and applicable law.

SCHEDULE "C"
RED EAGLE MINING CORPORATION
INCENTIVE STOCK OPTION PLAN

RED EAGLE MINING CORPORATION

INCENTIVE STOCK OPTION PLAN

May ___, 2016

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

(a) "**Accelerated Vesting Event**" means the occurrence of any one of the following events:

i. The acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such Person or Persons, or Persons affiliated with such Person or Persons (as determined under applicable securities Laws) (collectively, the "**Acquirors**"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;

ii. An amalgamation, merger, arrangement or other business combination (a "**Business Combination**") involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, will own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;

(b) "**Affiliate**" has the meaning ascribed thereto by the Exchange;

(c) "**Board**" means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than 3 Directors of the Corporation duly appointed to administer this Plan;

(d) "**Common Shares**" means the common shares of the Corporation;

(e) "**Consultant**" means an individual who:

i. provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate under a written contract with the Corporation or the Affiliate other than services provided in relation to a Distribution,

ii. possesses technical, business or management expertise of value to the Corporation or an Affiliate,

iii. in the opinion of the Corporation, spends or will spend a reasonable amount of time and attention on the business and affairs of the Corporation or an Affiliate, and

iv. has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or the Affiliate,

and includes a company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;

(f) "**Convertible Securities**" means any security of the Corporation which is convertible into Common Shares;

(g) "**Corporation**" means Red Eagle Mining Corporation and its successor entities;

(h) "**Director**" means a director of the Corporation or of an Affiliate;

(i) "**Disinterested Shareholder Approval**" has the meaning ascribed thereto by the Exchange in "Policy 4.4 – Incentive Stock Options" of the TSX Venture Exchange Corporate Finance Manual;

(j) "**Eligible Person**" means a Director, Officer, Employee or Consultant, and includes an entity all the voting securities of which are owned by Eligible Persons;

(k) "**Employee**" means an individual who:

i. is considered an employee of the Corporation or an Affiliate under the *Income Tax Act* (Canada), i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,

ii. works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or

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

(l) "**Exchange**" means the TSX Venture Exchange and any successor entity or the Toronto Stock Exchange as applicable depending on where the Corporation is listed at the relevant date;

(m) "**Expiry Date**" means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;

(n) "**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

i. having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any geographic or political subdivision of any of them; or

ii. exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

(o) "**Insider**" has the meaning ascribed thereto by the Exchange;

(p) "**Investor Relations Activities**" has the meaning ascribed thereto by the Exchange;

(q) "**Laws**" means currently existing applicable statutes, by-laws, rules, regulations, orders, ordinances or judgments, in each case of any Governmental Authority having the force of the law;

(r) "**Management Company Employee**" means an individual who is employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities;

(s) "Material Information" has the meaning ascribed thereto by the Exchange;

(t) "**Officer**" means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;

(u) "**Option**" means an option to purchase Common Shares granted to an Eligible Person pursuant to this Plan;

(v) "**Optionee**" means an Eligible Person who has been granted an Option;

(w) "**Other Share Compensation Arrangement**" means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan, restricted share unit plan, deferred share unit plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise; and

(x) "**Plan**" means this Incentive Stock Option Plan.

1.2 Interpretation

(a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

(b) If the Corporation is listed on the Toronto Stock Exchange, the provisions of this Plan as they relate to companies listed on Tier 1 of the TSX Venture Exchange shall apply.

ARTICLE 2
ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to provide an effective long-term incentive to Eligible Persons from time to time.

2.2 Shares Reserved

(a) The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for issuance upon exercise of Options subsequently granted under this Plan.

(b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

i. the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

ii. the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

iii. the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.

(c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

(d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3
ADMINISTRATION OF PLAN

3.1 Administration

(a) This Plan shall be administered by the Board or any committee established by the Board for the purposes of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:

i. to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;

ii. to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Sections 3.3 and 3.4 hereof.

(b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other persons.

(c) For stock options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Laws

(a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign Laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares

upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

(b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.

(c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

ARTICLE 4
OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

(a) **To any one person.** The number of Options granted to any one Person (and companies owned by that Person) in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the issued Common Shares at the time of the grant, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit.

(b) **To Consultants.** The aggregate number of Options granted to any one Consultant in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

(c) **To persons conducting Investor Relations Activities.** The aggregate number of Options Granted to all Persons retained to provide Investor Relations Activities in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

(d) **To Non-Executive Directors**. The aggregate value of Options granted to any one non-executive Director in any 12-month period under this Plan:

i. shall not exceed $100,000, at the time of the grant;

ii. together with the aggregate value of awards to such non-executive under any Other Share Compensation Arrangement, shall not exceed $150,000 at the time of the grant.

(e) **To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so:

i. the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant;

ii. the aggregate number Options granted to Insiders (as a group) in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

ARTICLE 5
OPTION TERMS

5.1 Exercise Price

(a) The exercise price per Option granted hereunder shall be determined by the Board, but it will in no event be less than the "Discounted Market Price", as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.

(b) If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety-day period shall begin:

i. on the date the final receipt is issued for the final prospectus in respect of such distribution; and

ii. in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a "blackout period"), pursuant to section 5.7).

5.3 Vesting

(a) Subject to the subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

(b) Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3-month period.

5.4 Accelerated Vesting Event

Subject to subjection 5.3(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any Option, except pertaining to options granted to Consultants performing Investor Relations Activities which will be subject to prior written Exchange approval, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

5.5 Effect of Take-Over Bid

If a take-over bid (as defined under applicable securities Laws) (the "**Offer**") is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Options will become fully vested and the Options may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to become vested pursuant to this section shall be reinstated. If any Common Shares are returned to the Corporation under this section, the Corporation shall immediately refund the exercise price to the Optionee for the Options relating to such returned Common Shares.

5.6 Non-Assignability

Options may not be assigned or transferred.

5.7 Ceasing to be Eligible Person

(a) If an Optionee who is a Director, Officer, Employee or Consultant is terminated for cause, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable upon such termination for cause.

(b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Optionee's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Optionee's death.

(c) If an Optionee ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) herein, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 30 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after twelve months of such event.

(d) If any portion of an Option grant is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option grant may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion further and subject to the approval of the Exchange where the vesting of the said Optionee's options was a requirement of the Exchange's policies, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the relevant Option grant that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Optionee ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Optionee received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option grant to vest.

5.8 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a "**blackout period**") during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

(a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.

(b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.

(c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under securities Laws) in respect of the Corporation's securities.

ARTICLE 6
EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

(a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;

(b) the originally signed option agreement with respect to the Option being exercised;

(c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws; and

(d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

6.2 Withholding

The Corporation may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("**Withholding Obligations**"). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the Optionee’s behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

ARTICLE 7
AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange.

Shareholder approval shall be obtained in accordance with the requirements of the TSX Venture Exchange for any amendment that results in:

i. any reduction in the exercise price of an Option;

ii. any cancellation and reissuance of an Option;

iii. an increase in the maximum number of Shares issuable pursuant to the Plan (other than pursuant to Section 2);

iv. an extension of the Expiry Date for Options granted to Insiders under the Plan;

v. other types of compensation through Share issuance;

vi. granting rights to a Participant to assign Options;

vii. the addition of additional categories of Participants (other than as contemplated by Section 2);

viii. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or

ix. any amendments to this Section 7 that will increase the Corporation's ability to amend the Plan without shareholder approval.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8
MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate

the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, 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 Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

SCHEDULE "D"
RED EAGLE MINING CORPORATION
RESTRICTED SHARE UNIT PLAN

RED EAGLE MINING CORPORATION

RESTRICTED SHARE UNIT PLAN

1. PURPOSE OF THE PLAN

1.1 This Plan has been established by the Corporation to assist the Corporation in the recruitment and retention of highly qualified employees and consultants by providing a means to reward superior performance, to motivate Participants to achieve important corporate and personal objectives and thereby to better align the interests of Participants with the long-term interests of Shareholders.

2. PLAN DEFINITIONS AND INTERPRETATIONS

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

a) "**Account**" means the bookkeeping account established and maintained by the Corporation for each Participant in which the number of Restricted Share Units of the Participant are recorded;

b) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;

c) "**Beneficiary**" means any person designated by the Participant as his or her beneficiary under the Plan in accordance with Section 14.1 or, failing any such effective designation, the Participant's legal representative;

d) "**Board**" means the Board of Directors of the Corporation;

e) "**Change of Control**" means:

i. the acquisition whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act (British Columbia) and the rules and regulations thereunder) of voting securities of the Corporation which, together with any other voting securities of the Corporation held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Corporation;

ii. an amalgamation, arrangement or other form of business combination of the Corporation with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Corporation (including a merged or successor company) resulting from the business combination; or

iii. the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than a subsidiary of the Corporation or other than in the ordinary course of business of the Corporation;

f) "**Committee**" means the Corporate Governance and Compensation Committee of the Board or any other committee or person designated by the Board to administer the Plan;

g) "**Corporation**" means Red Eagle Mining Corporation and its successors and assigns, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Board including, without limitation, the Committee;

h) "**Designated Subsidiary**" means an entity (including a partnership) in which the Corporation holds, directly or indirectly, a majority voting interest and which has been designated by the Corporation for purposes of the Plan from time to time;

i) "**Eligible Consultant**" means an individual, other than an Employee, that (i) is engaged to provide on a bona fide basis consulting, technical, management or other services to the Corporation or any Designated Subsidiary under a written contract between the Corporation or the Designated Subsidiary and the individual or a company of which the individual consultant is an employee, (ii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Subsidiary, and (iii) does not provide services in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the registrant's securities;

j) "**Employee**" means an employee of the Corporation or any of its Designated Subsidiaries or any combination or partnership of such corporations;

k) "**Employer**" means the Corporation, the Designated Subsidiary or the combination or partnership of such corporations that employs the Participant or that employed the Participant immediately prior to the Participant's Termination Date;

l) "**Expiry Date**" means, with respect to Restricted Share Units granted to a Participant in respect of services rendered by the Participant during a Fiscal Year, the date determined by the Corporation for such purpose for such grant, which date shall be no later than the earlier of the third anniversary of the last day in such Fiscal Year and date which is thirty days after the Participant's Termination Date and shall, in all cases, be in compliance with the provisions of paragraph (k) of the definition "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada), as such paragraph may be amended or re-enacted from time to time;

m) "**Fiscal Year**" means a fiscal year of the Corporation;

n) "**Grant Agreement**" means an agreement between the Corporation and a Participant under which Restricted Share Units are granted, together with such amendments, deletions or changes thereto as are permitted under the Plan;

o) "**Grant Date**" of a Restricted Share Unit means the date a Restricted Share Unit is granted to a Participant under the Plan;

p) "**Insider**" has the meaning provided for purposes of the TSX relating to Security Based Compensation Arrangements;

q) "**Market Value**" with respect to a Share as at any date means the arithmetic average of the closing price of the Shares traded on the TSX Venture Exchange for the five (5) trading days on which a board lot was traded immediately preceding such date (or, if the Shares are not then listed and posted for trading on the TSX Venture Exchange, on such stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Corporation). In the

event that the Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the Market Value of the Shares as determined by the Board in its discretion, acting reasonably and in good faith;

r) "**Participant**" means a bona fide full-time or part-time Employee or an Eligible Consultant who, in any such case, has been designated by the Corporation for participation in the Plan;

s) "**Payout Date**" means a date selected by the Corporation for payout of the Shares or cash with respect to Vested Share Units;

t) "**Plan**" means this Restricted Share Unit Plan;

u) "**Reorganization**" means any (i) capital reorganization, (ii) merger, (iii) amalgamation, or (iv) arrangement or other scheme of reorganization;

v) "**RSU**" or "**Restricted Share Unit**" means a unit credited by means of an entry on the books of the Corporation to a Participant pursuant to the Plan, representing the right to receive, subject to and in accordance with the Plan, for each Vested Restricted Share Unit one Share or cash equal to the Market Value of one Share, at the time, in the manner, and subject to the terms, set forth in the Plan and the applicable Grant Agreement;

w) "**Security Based Compensation Arrangement**" has the meaning defined in the provisions of the TSX Company Manual relating to security based compensation arrangements;

x) "**Shareholders**" means the holders of Shares;

y) "**Shares**" mean common shares of the Corporation and includes any securities of the Corporation into which such common shares may be converted, reclassified, re-designated, subdivided, consolidated, exchanged or otherwise changed, pursuant to a Reorganization or otherwise;

z) "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which Shares are listed;

aa) "**Termination Date**" means the date on which a Participant ceases, for any reason including resignation, termination, death or disability, to be an active Employee or an Eligible Consultant, as the case may be, and, in the case of a Participant who is an Employee, where the employment is terminated by the Employer, whether wrongful or for cause or otherwise, such date shall be the date notice of termination is provided and, in the case of a Participant who is an Eligible Consultant, the date the written contract between the Eligible Consultant and the Corporation or any Designated Subsidiary is terminated or expires and the Eligible Consultant no longer provides services thereunder;

bb) "**TSX**" means the Toronto Stock Exchange; and

cc) "**Vested Share Units**" shall mean Restricted Share Units in respect of which all vesting terms and conditions set forth in the Plan and the applicable Grant Agreement have been either satisfied or waived in accordance with the Plan.

2.2 In this Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

3. GRANT OF RESTRICTED SHARE UNITS AND TERMS

3.1 The Corporation may grant Restricted Share Units to such Participant or Participants in such number and at such times as the Corporation may, in its sole discretion, determine, as a bonus or similar payment in respect of services rendered by the Participant for a Fiscal Year.

3.2 In granting any RSUs pursuant to Section 3.1, the Corporation shall designate:

a) the number of RSUs which are being granted to the Participant for services rendered by the Participant;

b) any time based or other conditions as to vesting of the RSUs to become Vested Share Units;

c) the Payout Date, which shall in no event be later than the Expiry Date;

d) the Fiscal Year during which the Participant rendered the services for which the RSUs are being granted; and

e) the Expiry Date;

which shall be set out in the Grant Agreement.

3.3 The conditions may relate to all or any portion of the RSUs in a grant and may be graduated such that different percentages of the RSUs in a grant will become Vested Share Units depending on the extent of satisfaction of one or more such conditions. The Corporation may, in its discretion and having regard to the best interests of the Corporation, subsequent to the Grant Date of a RSU, waive any resulting conditions, provided that the waiver of such conditions will not accelerate the time of payment with respect to such RSUs, and the payout will occur on the Payout Date as set forth in the Grant Agreement or pursuant to Sections 7.1 or 8.3 of the Plan, if applicable.

3.4 Dividends

A Participant will be granted additional RSUs, in respect of the Participant's unexercised RSUs, on any dividend payment dates declared by the Board for the Common Shares. The number of such additional RSUs will be determined for each cash dividend payment date by (i) dividing the cash dividend payable for a Common Share by the Share Price immediately prior to the payment date for that dividend and then (ii) multiplying that resultant number by the number of unexercised RSUs held by the Participant on the record date for the determination of shareholders entitled to receive payment of such cash dividend.

4. GRANT AGREEMENT

4.1 Each grant of a Restricted Share Unit will be set forth in a Grant Agreement containing terms and conditions required under the Plan and such other terms and conditions not inconsistent herewith as the Corporation may, in its sole discretion, deem appropriate.

5. RESTRICTED SHARE UNIT GRANTS AND ACCOUNTS

5.1 An Account shall be maintained by the Corporation for each Participant. On the Grant Date, the Account will be credited with the Restricted Share Units granted to a Participant on that date.

6. PAYOUTS

6.1 On each Payout Date, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Share Units in the Participant's Account to which the Payout Date relates, in one of the following forms:

a) subject to shareholder approval of this Plan and the limitations set forth in Section 11.2 below, Shares issued from treasury equal in number to the Vested Share Units in the Participant's Account to which the Payout Date relates, subject to any applicable deductions and withholdings;

b) subject to and in accordance with any Applicable Law, Shares purchased by an independent administrator of the Plan in the open market for the purposes of providing Shares to Participants under the Plan equal in number to the Vested Share Units in the Participant's Account to which the Payout Date relates, subject to any applicable deductions and withholdings;

c) the payment of a cash amount to a Participant on the Payout Date equal to the number of Vested Share Units in respect of which the Corporation makes such a determination, multiplied by the Market Value on the Payout Date, subject to any applicable deductions and withholdings; or

d) any combination of the foregoing,

as determined by the Corporation, in its sole discretion.

6.2 No fractional Shares shall be issued and any fractional entitlements will be rounded down to the nearest whole number.

6.3 Shares issued by the Corporation from treasury under Section 6.1(a) of this Plan shall be considered fully paid in consideration of past service that is no less in value than the fair equivalent of the money the Corporation would have received if the Shares had been issued for money.

6.4 The Corporation or a Designated Subsidiary may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation or the Designated Subsidiary will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. Each of the Corporation or a Designated Subsidiary shall also have the right in its discretion to satisfy any such withholding tax liability by retaining, acquiring or selling on behalf of a Participant any Shares which would otherwise be issued or provided to a Participant hereunder.

7. CHANGE OF CONTROL

7.1 Notwithstanding the conditions as to vesting of Restricted Share Units contained in any individual Grant Agreement, all outstanding Restricted Share Units shall become Vested Share Units on any Change of Control and, except as otherwise provided in Section 15 hereof, the Payout Date in connection with such Vested Share Units shall, notwithstanding any provisions in the Grant Agreement, be accelerated to the date of such Change of Control and the Corporation shall, as soon as practicable following such Change of Control, issue or provide Shares or make payments to such Participants with respect to such Vested Share Units in accordance with Section 6.

8. TERMINATION OF EMPLOYMENT AND FORFEITURES

8.1 Unless otherwise determined by the Corporation pursuant to this Article 8, on a Participant's Termination Date, any Restricted Share Units in a Participant's Account which are not Vested Share Units shall terminate and be null and void as of such date.

8.2 Notwithstanding Section 8.1, where a Participant's Termination Date occurs by reason of the death of the Participant, then all Vested Share Units granted to such Participant will continue to vest during the six months following the Participant's death and be paid out to the Beneficiary of the Participant in accordance with Section 6 provided that such Vested Share Units shall terminate and be null and void no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death.

8.3 Notwithstanding Section 8.1, where a Participant's Termination Date occurs for any reason other than the death, retirement or termination for cause of the Participant, then such Participant shall have the right to be paid out in respect of his or her outstanding Vested Share Units in accordance with Section 6 provided that such Vested Share Units shall terminate and be null and void on the date that is the earlier of the Expiry Date and the date which is 30 days after such Participant's Termination Date.

9. FORFEITED UNITS

9.1 Notwithstanding any other provision of the Plan or a Grant Agreement, Restricted Share Units granted hereunder shall terminate on, if not redeemed or previously terminated and forfeited in accordance with the Plan, and be of no further force and effect after, the Expiry Date.

10. ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

10.1 In the event that the Shares shall be subdivided or consolidated into a different number of Shares or a distribution shall be declared upon the Shares payable in Shares, the number of Restricted Share Units then recorded in the Participant's Account shall be adjusted by replacing such number by a number equal to the number of Shares which would be held by the Participant immediately after the distribution, subdivision or consolidation, should the Participant have held a number of Shares equal to the number of Restricted Share Units recorded in the Participant's Account on the record date fixed for such distribution, subdivision or consolidation.

10.2 In the event there shall be any change, other than as specified in Section 10.1, in the number or kind of outstanding Shares or of any shares or other securities into which such Shares shall have been changed or for which they shall have been exchanged, pursuant to a Reorganization or otherwise, then there shall be substituted for each Share referred to in the Plan or for each share into which such Share shall have been so changed or exchanged, the kind of securities into which each outstanding Share shall be so changed or exchanged and an equitable adjustment shall be made, if required, in the number of Restricted Share Units then recorded in the Participant's Account, such adjustment, if any, to be reasonably determined by the Committee and to be effective and binding for all purposes.

10.3 In the case of any such substitution, change or adjustment as provided for in this Section10, the variation shall generally require that the aggregate Market Value of the Restricted Share Units then recorded in the Participant's Account prior to such substitution, change or adjustment will be proportionately and appropriately varied so that it be equal to such aggregate Market Value after the variation.

11. RESTRICTIONS ON ISSUANCES

11.1 The number of Shares reserved for issuance from treasury pursuant to the Restricted Share Units credited under the Plan shall, in the aggregate, be 2,171,803.

11.2 The number of Shares issuable from treasury to any one Participant under the Plan, together with any Shares issuable pursuant to all other Security Based Compensation Arrangements of the Corporation shall not exceed five percent (5%) of the issued and outstanding Shares.

11.3 The number of Shares issuable from treasury to Insiders under the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement of the Corporation, within any one-year period, shall not exceed 10% of the total number of outstanding Shares.

12. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Until such time as the Corporation receives shareholder approval of the issuances from treasury contemplated in Section 6.1(a), the Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to Restricted Share Units granted prior to the date of the amendment.

12.2 Following shareholder approval of any issuances from treasury as contemplated by Section 6.1(a), the Corporation may, without notice, at any time and from time to time, and without shareholder approval, amend the Plan or any provisions thereof in such manner as the Corporation, in its sole discretion, determines appropriate, including, without limitation:

a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
c) to change the vesting provisions of Restricted Share Units;
d) to change the termination provisions of Restricted Share Units or the Plan which does not entail an extension beyond the original Expiry Date of the Restricted Share Units;
e) to make the amendments contemplated by Section 15.1(f);
f) for the purposes of ensuring that the terms of this Plan comply and are consistent with the provisions of paragraph (k) of the definition "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada); or
g) to make any amendments necessary or advisable because of any change in Applicable Law;

provided, however, that:

a) no such amendment of the Plan may be made without the consent of each affected Participant in the Plan if such amendment would adversely affect the rights of such affected Participant(s) under the Plan;
b) no such amendment of the Plan may be made if the amendment would or could cause the Plan, or any aspect thereof, to be inconsistent with provisions of paragraph (k) of the definition "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada);
c) shareholder approval shall be obtained in accordance with the requirements of the TSX Venture Exchange for any amendment that results in:
    i. an increase in the maximum number of Shares issuable pursuant to the Plan (other than pursuant to Section 10);

ii. an extension of the Expiry Date for Restricted Share Units granted to Insiders under the Plan;
iii. other types of compensation through Share issuance;
iv. an expansion of the rights of a Participant to assign Restricted Share Units other than as set forth in Section 15.2;
v. the addition of additional categories of Participants (other than as contemplated by Section 10);
vi. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
vii. any amendments to this Section 12 that will increase the Corporation's ability to amend the Plan without shareholder approval.

12.3 If the Corporation terminates the Plan, Restricted Share Units previously credited shall, at the discretion of the Corporation, either (a) be settled immediately in accordance with the terms of the Plan in effect at such time, or (b) remain outstanding and in effect and settled in due course in accordance with the applicable terms and conditions, in either case without shareholder approval.

13. ADMINISTRATION

13.1 Unless otherwise determined by the Board, the Plan shall be administered by the Committee subject to Applicable Laws. The Committee shall have full and complete authority to interpret the Plan, to prescribe such rules and regulations and to make such other determinations as it deems necessary or desirable for the administration of the Plan. All actions taken and decisions made by the Committee shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Participants and their beneficiaries and legal representatives, each Designated Subsidiary and the Corporation. All expenses of administration of the Plan shall be borne by the Corporation.

13.2 The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. At such times as the Corporation shall determine, the Corporation shall furnish the Participant with a statement setting forth the details of his or her Restricted Share Units including the Grant Date and the Vested Share Units and unvested Restricted Share Units held by each Participant. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the Corporation within 30 days after such statement is given to the Participant.

13.3 The Corporation may, at its discretion, appoint one or more persons or companies to provide services in connection with the Plan including without limitation, administrative and record-keeping services.

14. BENEFICIARIES AND CLAIMS FOR BENEFITS

14.1 Subject to the requirements of Applicable Law, a Participant may designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Corporation may from time to time determine.

15. GENERAL

15.1 The transfer of an Employee from the Corporation to a Designated Subsidiary, from a Designated Subsidiary to the Corporation or from a Designated Subsidiary to another Designated Subsidiary, shall not be considered a termination of employment for the purposes of the Plan, nor shall it be considered a

termination of employment if a Participant is placed on such other leave of absence which is considered by the Corporation as continuing intact the employment relationship.

15.2 The Plan shall enure to the benefit of and be binding upon the Corporation, its successors and assigns. The interest of any Participant under the Plan or in any Restricted Share Unit shall not be transferable or assignable other than by operation of law, except, if and on such terms as the Corporation may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a Participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's minor children or the Participant's minor grandchildren, and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary.

15.3 The Corporation's grant of any Restricted Share Units or issuance of any Shares hereunder is subject to compliance with Applicable Law applicable thereto. As a condition of participating in the Plan, each Participant agrees to comply with all Applicable Law and agrees to furnish to the Corporation or a Designated Subsidiary all information and undertakings as may be required to permit compliance with Applicable Law.

15.4 A Participant shall not have the right or be entitled to exercise any voting rights, receive any distribution or have or be entitled to any other rights as a Shareholder in respect of any Restricted Share Units.

15.5 Neither designation of an Employee as a Participant nor the grant of any Restricted Share Units to any Participant entitles any Participant to the grant, or any additional grant, as the case may be, of any Restricted Share Units under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the Corporation or a Designated Subsidiary to terminate a Participant's employment, or service under contract, at any time. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall be considered as extending the period of employment for the purposes of the Plan.

15.6 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any Employee's employment or any consultant's contractual relationship with the Corporation or a Designated Subsidiary.

15.7 The Plan shall be an unfunded obligation of the Corporation. Neither the establishment of the Plan nor the grant of any Restricted Share Units or the setting aside of assets by the Corporation (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. The right of the Participant or Beneficiary to receive payment pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Corporation.

15.8 This Plan is established under the laws of the Province of British Columbia and the rights of all parties and the construction of each and every provision of the Plan and any Restricted Share Units granted hereunder shall be construed according to the laws of the Province of British Columbia.

SCHEDULE "E"
RED EAGLE MINING CORPORATION
DEFERRED SHARE UNIT PLAN

RED EAGLE MINING CORPORATION

DEFERRED SHARE UNIT PLAN

1. PURPOSE OF THE PLAN

1.1 This Plan has been established by the Corporation to promote the interests of the Corporation by attracting and retaining qualified persons to serve on the Board and to promote a greater alignment of long term interests between such Participants and the shareholders of the Corporation.

2. PLAN DEFINITIONS AND INTERPRETATIONS

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

a) "**Account**" means an account maintained for each Participant on the books of the Corporation which will be credited with Deferred Share Units, in accordance with the terms of the Plan.

b) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules.

c) "**Board**" means the Board of Directors of the Corporation.

a) "**Change of Control**" means:

i. the acquisition whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act (British Columbia) and the rules and regulations thereunder) of voting securities of the Corporation which, together with any other voting securities of the Corporation held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Corporation;

ii. an amalgamation, arrangement or other form of business combination of the Corporation with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Corporation (including a merged or successor company) resulting from the business combination; or

iii. the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than a subsidiary of the Corporation or other than in the ordinary course of business of the Corporation;

d) "**Committee**" means the Corporate Governance and Compensation Committee of the Board.

e) "**Common Shares**" means common shares of the Corporation and includes any securities of the Corporation into which such Common Shares may be converted, reclassified, re-designated, subdivided, consolidated, exchanged or otherwise changed, pursuant to a Reorganization or otherwise.

f) "**Corporation**" means Red Eagle Mining Corporation and its successors and assigns, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Board including, without limitation, the Committee.

g) "**DSU**" or "**Deferred Share Unit**" means a unit credited to a Participant by way of a bookkeeping entry in the books of the Corporation pursuant to this Plan, the value of which is equivalent in value to a Common Share.

h) "**Exchange**" means the TSX Venture Exchange or the Toronto Stock Exchange ("**TSX**") as applicable depending on where the Corporation is listed at the relevant date;

i) "**Grant**" means the crediting of a Deferred Share Unit to the Account of a Participant.

j) "**Insider**" has the meaning ascribed thereto by the TSX in relation to Security Based Compensation Arrangements.

k) "**Notice of Redemption**" means written notice, on a prescribed form, by the Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant's wish to redeem his or her Deferred Share Units.

l) "**Participant**" means a director of the Corporation who is designated by the Committee as eligible to participate in the Plan.

m) "**Plan**" means this Deferred Share Unit Plan.

n) "**Redemption Date**" means the date that a Notice of Redemption is received by the Corporation.

o) "**Reorganization**" means any (i) capital reorganization, (ii) merger, (iii) amalgamation, or (iv) arrangement or other scheme of reorganization.

p) "**Section 409A**" means Section 409A of the *U.S. Internal Revenue Code of 1986*, as amended, and the Treasury Regulations promulgated thereunder as in effect from time to time.

q) "**Security Based Compensation Arrangement**" has the meaning defined in the provisions of the TSX Company Manual relating to security based compensation arrangements.

r) "**Share Price**" means the closing price of a Common Share on the Exchange averaged over the five (5) consecutive trading days immediately preceding (a) in the case of a Grant, the last day of the fiscal quarter preceding the date of Grant in respect of a director, or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event such shares are not traded on the TSX-V, the fair market value of such shares as determined by the Committee acting in good faith.

s) "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which the Common Shares are listed.

t) "**Termination Date**" in relation to a Participant means the date of that Participant's death, or retirement from, or loss of, the office or employment with the Corporation, within the meaning of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada) and,

for greater certainty, the Termination Date shall not be before the date on which that Participant's office or employment with the Corporation ceases under applicable law.

u) "**TSX-V**" means the TSX Venture Exchange.

3. NON-EMPLOYEE DIRECTOR COMPENSATION

3.1 Establishment of Annual Base Compensation

The annual retainer (the "**Annual Base Compensation**") payable to non-employee Directors (hereafter "**Directors**") of the Corporation shall be established from time-to-time by the Board. The amount of Annual Base Compensation will be reported annually in the Corporation's management information circular.

3.2 Payment of Annual Base Compensation

a) The Annual Base Compensation shall be payable in quarterly installments, with each installment payable as promptly as practicable following the last business day of the fiscal quarter to which it applies. Quarterly payments shall be pro rated if Board service commences or terminates during a fiscal quarter. The number of DSUs to be paid and the terms of the DSUs shall be determined as provided in the following sections of this Plan.

b) Each Director may elect to receive in DSUs up to 100% of his or her Annual Base Compensation by completing and delivering a written election to the Corporation on or before November 15th of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. For greater certainty, new Directors will not be entitled to receive DSUs pursuant to an election for the quarter in which they submit their first election to the Corporation or any previous quarter. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

c) All DSUs granted with respect to Annual Base Compensation will be credited to the Director's Account when such Annual Base Compensation is payable (the "**Grant Date**").

d) The Director's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Share Price. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

3.3 Additional Deferred Share Units

In addition to DSUs granted pursuant to Section 3.2, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Corporation as an officer or an employee of the Corporation. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. The Corporation and a Participant who receives an award of DSUs pursuant to this Section 3.3 shall enter into a DSU award agreement to evidence the award and the terms applicable thereto.

3.4 Dividends

A Participant will be granted additional DSUs, in respect of the Participant's unexercised DSUs, on any dividend payment dates declared by the Board for the Common Shares. The number of such additional DSUs will be determined for each cash dividend payment date by (i) dividing the cash dividend payable for a Common Share by the Share Price immediately prior to the payment date for that dividend and then (ii) multiplying that resultant number by the number of unexercised DSUs held by the Participant on the record date for the determination of shareholders entitled to receive payment of such cash dividend.

4. ADMINISTRATION OF DSU ACCOUNTS

4.1 Administration of Plan

The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan and the provisions of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada):

a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend and rescind such rules and regulations from time to time;

b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;

c) to prescribe the form of the instruments used in conjunction with the Plan; and

d) to determine which members of the Board are eligible to participate in the Plan.

4.2 Redemption of Deferred Share Units

a) Each Participant, and in the event of death of a Participant, the legal representative of the Participant, shall be entitled to redeem the Participant's Deferred Share Units during the period commencing on the business day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation.

b) Upon redemption, the Participant or the legal representative of the Participant, as the case may be, shall be entitled to receive, and the Corporation shall issue or provide:
    i. subject to shareholder approval of this Plan and the limitations set forth in Section 6.2 below, a number of Common Shares issued from treasury equal to the number of DSUs in the Participant's Account, subject to any applicable deductions and withholdings;

    ii. subject to and in accordance with any Applicable Law, a number of Common Shares purchased by an independent administrator of the Plan in the open market for the purposes of providing Common Shares to Participants under the Plan equal in number to the DSUs in the Participant's Account, subject to any applicable deductions and withholdings;

iii. the payment of a cash amount to a Participant equal to the number of DSUs multiplied by the Share Price, subject to any applicable deductions and withholdings; or

iv. any combination of the foregoing,

as determined by the Corporation, in its sole discretion.

4.3 Payment Notwithstanding

Notwithstanding any other provision of this Plan, all amounts payable to, or in respect of, a Participant hereunder shall be paid on or before December 31 of the calendar year commencing immediately after the Participant's Termination Date.

5. ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

5.1 Subdivisions or Consolidations

In the event that the Common Shares shall be subdivided or consolidated into a different number of Common Shares or a distribution shall be declared upon the Common Shares payable in Common Shares, the number of DSUs then recorded in the Director's Account shall be adjusted by replacing such number by a number equal to the number of Common Shares which would be held by the Director immediately after the distribution, subdivision or consolidation, should the Director have held a number of Common Shares equal to the number of DSUs recorded in the Director's Account on the record date fixed for such distribution, subdivision or consolidation.

5.2 Reorganizations

In the event there shall be any change, other than as specified in Section 5.1, in the number or kind of outstanding Common Shares or of any shares or other securities into which such Common Shares shall have been changed or for which they shall have been exchanged, pursuant to a Reorganization or otherwise, then there shall be substituted for each Common Share referred to in the Plan or for each share into which such Common Share shall have been so changed or exchanged, the kind of securities into which each outstanding Common Share shall be so changed or exchanged and an equitable adjustment shall be made, if required, in the number of DSUs then recorded in the Director's Account, such adjustment, if any, to be reasonably determined by the Committee and to be effective and binding for all purposes.

5.3 Adjustments

In the case of any such substitution, change or adjustment as provided for in this Section 5, the variation shall generally require that the number of DSUs then recorded in the Director's Account prior to such substitution, change or adjustment will be proportionately and appropriately varied.

6. RESTRICTIONS ON ISSUANCES

6.1 Maximum Number of DSUs

The number of Shares reserved for issuance from treasury pursuant to the Deferred Share Units credited under the Plan shall, in the aggregate, not exceed 2,171,803.

6.2 Insider Participation Limits

The maximum number of Common Shares issuable to Insiders pursuant to Section 4.2(b)(i) of the Plan, together with any Common Shares issuable pursuant to any other Security Based Compensation Arrangement, at any time, shall not exceed 10% of the total number of outstanding Common Shares. The maximum number of Common Shares issued to Insiders pursuant to Section 4.2(b)(i) of the Plan, together with any Common Shares issued pursuant to any other Security Based Compensation Arrangement, within any one-year period, shall not exceed 10% of the total number of outstanding Common Shares.

6.3 Director Participation Limits

The aggregate value of DSUs granted to any one Director in any 12-month period under this Plan, together with the aggregate value of awards to such Director under any other Security Based Compensation Arrangement, shall not exceed $150,000 at the time of the grant.

7. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

7.1 Amendment to the Plan

Until such time as the Corporation receives shareholder approval of the issuances from treasury contemplated in Section 4.2(b)(i), the Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to DSUs granted prior to the date of the amendment.

Following shareholder approval of any issuances from treasury as contemplated in Section 4.2(b)(i), the Board may at any time, and from time to time, and without shareholder approval, amend any provision of the Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan including amendments of a "clerical" or "housekeeping" nature;

b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;

c) amendments to the termination provisions of Section 7.2;

d) amendments necessary or advisable because of any change in Applicable Laws;

e) amendments to the transferability of Deferred Share Units provided for in Section 8.10;

f) amendments to Section 4.1 relating to the administration of the Plan;

g) for the purposes of ensuring that the terms of this Plan comply and are consistent with provisions of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada); and

h) any other amendment, fundamental or otherwise, not requiring shareholder approval under Applicable Laws;

provided, however, that:

i) no such amendment of the Plan may be made without the consent of each affected Participant in the Plan if such amendment would adversely affect the rights of such affected Participant(s) under the Plan;

j) no such amendment of the Plan may be made if the amendment would or could cause the Plan, or any aspect thereof, to be inconsistent with provisions of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada); and

k) shareholder approval shall be obtained in accordance with the requirements of the Exchange for any amendment:
    i. to Section 6.1 in order to increase the maximum number of Deferred Share Units which may be issued under this Plan (other than pursuant to Section 5);
    ii. an extension of the Expiry Date for DSUs granted to Insiders under the Plan;
    iii. an expansion of the rights of a Participant to assign DSUs other than as set forth in Section 8.2;
    iv. the addition of additional categories of Participants;
    v. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
    vi. any amendments to this Section 7 that will increase the Corporation's ability to amend the Plan without shareholder approval.

7.2 Plan Termination

The Committee may decide to discontinue granting awards under the Plan at any time in which case no further Deferred Share Units shall be awarded or credited under the Plan. Any Deferred Share Units which remain outstanding in a Participant's Account at that time shall continue to be dealt with according to the terms of the Plan. The Plan shall terminate when all payments owing pursuant to Section 4.2 of the Plan have been made and all Deferred Share Units have been cancelled in all Participants' Accounts.

8. GENERAL PROVISIONS

8.1 Withholding

The Corporation may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. The Corporation shall also have the right in its discretion to satisfy any such withholding tax liability by retaining, acquiring or selling on behalf of a Participant any Common Shares which would otherwise be issued or provided to a Participant hereunder.

8.2 Assignability

No right to receive payment of DSUs and other benefits under the Plan shall be transferable or assignable by a Participant except by will or laws of descent and distribution.

8.3 Unfunded Plan

Unless otherwise determined by the Committee, the Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights

(unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured creditor of the Corporation.

8.4 Final Determination

Any determination or decision by or opinion of the Committee made or held pursuant to the terms of the Plan shall be final, conclusive and binding on all parties concerned. All rights, entitlements and obligations of Participants under the Plan are set forth in the terms of the Plan and cannot be modified by any other documents, statements or communications, except by Plan amendments referred to in Section 7.1 of the Plan.

8.5 No Right to Employment

Participation in the Plan shall not be construed to give any Participant a right to be retained as a Director.

8.6 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

8.7 No Shareholder Rights

Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of Deferred Share Units.

8.8 Reorganization of the Corporation

The existence of any Deferred Share Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

8.9 Section 409A

It is intended that the provisions of this Plan comply with Section 409A, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A, provided, however, that if any provision of Section 409A is inconsistent, or conflicts, with any provision of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada), the latter shall prevail over the former to the extent of any such inconsistency or conflict. Notwithstanding anything in the Plan to the contrary but subject to provisions of paragraph 6801(d) of the income tax regulations enacted under the *Income Tax Act* (Canada), the Corporation may provide in the applicable grant agreement with respect to Deferred Share Units granted to Participants whose benefits under the Plan are or may become subject to Section 409A, such terms and conditions as

may be required for compliance with Section 409A and in addition, the following will apply to the extent that a Participant's DSUs are subject to Section 409A.

a) Except as permitted under Section 409A, any DSUs, or payment with respect to DSUs, may not be reduced by, or offset against, any amount owing by the Participant to the Corporation.

b) If a Participant otherwise would become entitled to receive payment in respect of any DSUs as a result of his or her ceasing to be a Participant upon a Termination Date, any payment made on account of such person ceasing to be a Participant shall be made at that time only if the Participant has experienced a "separation from service" (within the meaning of Section 409A).

c) If a Participant is a "specified employee" (within the meaning of Section 409A) on a Termination Date and at that time he or she otherwise would be entitled to payment as a result of his or her separation from service, any payment that otherwise would be payable hereunder during the six-month period following such separation from service will be delayed and shall be paid on the first day of the seventh month following the date of such separation from service or, if earlier, the Participant's date of death.

d) A Participant's status as a specified employee shall be determined by the Corporation as required by Section 409A on a basis consistent with the regulations under Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation that are subject to Section 409A.

e) Each Participant, any beneficiary or the Participant's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such Participant in connection with this Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any affiliate shall have any obligation to indemnify or otherwise hold such Participant or beneficiary or the Participant's estate harmless from any or all of such taxes or penalties.

f) If and to the extent that DSUs would otherwise become payable upon a Change of Control as defined in the Plan, such payment will occur at that time only if such change of control also constitutes a "change in ownership", a "change in effective control" or a "change in the ownership of a substantial portion of the assets of the Corporation" as defined under Section 409A and applicable regulations (a "409A Change in Control"). If a Change of Control as defined in the Plan is not also a 409A Change in Control, unless otherwise permitted under Section 409A the time for the payment of DSUs will not be accelerated and will be payable pursuant to the terms of the Plan as if such Change of Control had not occurred.

g) In the event that the Committee determines that any amounts payable under the Plan will be taxable to a Participant under Section 409A prior to payment to such Participant of such amount, the Corporation may (i) adopt such amendments to the Plan and DSUs and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and/or (ii) take such other actions as the Corporation determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.

8.9 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation.

8.10 General Restrictions and Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

8.13 Interpretation

In this text, words importing the singular meaning shall include the plural and vice versa, and words importing the masculine shall include the feminine and neuter genders.

8.14 Governing Law

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

8.15 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

8.16 Effective Date

The effective date of this Plan shall be: , 2016.