

TAIPAN RESOURCES INC.

**Annual General Meeting
to be held on April 5, 2016**

**Notice of Annual General Meeting
and
Information Circular**

March 7, 2016

TAIPAN RESOURCES INC.
Suite 2630, 1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Taipan Resources Inc. (the “**Company**”) will be held at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia on Tuesday, April 5, 2016 at 10:00 a.m. (Vancouver, British Columbia time).

At the Meeting, the shareholders will receive the financial statements for the year ended October 31, 2015, together with the auditor’s report thereon, and consider resolutions to:

1. fix the number of directors of the Company for the ensuing year at three;
2. elect directors for the ensuing year;
3. appoint Davidson & Company LLP, Chartered Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange; and
5. transact such other business as may properly be put before the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver, British Columbia time) on Friday, April 1, 2016 (or prior to 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on February 29, 2016 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 7th day of March, 2016.

“Joel Dumaresq”

Joel Dumaresq
Chairman, Chief Financial Officer and Director

TAIPAN RESOURCES INC.
Suite 2630, 1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

INFORMATION CIRCULAR
(as at February 29, 2016 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by Management of Taipan Resources Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general meeting of the shareholders of the Company to be held on Tuesday, April 5, 2016 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on Friday, April 1, 2016, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chair of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other

matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

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

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

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of*

Securities of a Reporting Issuer (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company 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 Company (and not the intermediary holding common shares 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 VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO’s proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver, British Columbia time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

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

Financial Statements

The audited financial statements of the Company for the year ended October 31, 2015, together with the auditor's report on those statements and Management Discussion and Analysis related thereon, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized share capital consists of an unlimited number of common shares of which 10,548,638 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote

Shareholders registered as at February 29, 2016, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no person owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding common shares of the Company.

ELECTION OF DIRECTORS

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

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

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Joel Dumaresq ⁽²⁾ British Columbia, Canada <i>Chief Financial Officer, Chairman and Director</i>	Mr. Dumaresq has, for the past 15 years, worked as Managing Director of Vancouver, Canada based private equity and merchant banking firm Matrix Partners Inc. Mr. Dumaresq currently serves as President, CEO and a director of Sojourn Ventures Inc., Chairman, a	December 9, 2010	144,000 ⁽³⁾

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
	director of Coronet Metals Inc., Chief Financial officer and a director of Cricket Resources Inc., a director of Parkit Ventures Inc. and a director of Shelby Ventures Inc., Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada. Mr. Dumaresq has acted in an operating capacity for a range of companies in the oil, mining and forestry spaces.		
John Cumming ⁽⁴⁾⁽⁵⁾ British Columbia, Canada Nominee	Mr. Cumming is a barrister and solicitor with over 39 years' experience in the public company sector and is presently a director and Chief Financial Officer, Executive Vice-President, Secretary and General Counsel to Merrex Gold Inc. Mr. Cumming graduated from Kings College, University of London with a Masters of Law specializing in Corporate and Commercial Law. Mr. Cumming practiced exclusively as a corporate, securities and mining lawyer and has been active in the Canadian securities markets and resource exploration sector since 1978. Until 1992, Mr. Cumming was the senior securities and mining law partner at a mid-sized Vancouver law firm. Mr. Cumming is a director and Executive Vice-President, Chief Financial Officer, Secretary and General Counsel of Merrex Gold Inc. and Executive Vice-President, Chief Financial Officer, Secretary and General Counsel of Atlantic Industrial Minerals Inc.	N/A	Nil
Kevin Ma ⁽⁴⁾⁽⁵⁾ British Columbia, Canada Nominee	Mr. Ma is the principal of Skanderbeg Financial Advisory Inc., which provides corporate finance, strategic advisory, and CFO services to public and private enterprises. Mr. Ma is a Chartered Accountant certified by the Institute of Chartered Accountants of British Columbia, and holds a Diploma in	N/A	Nil

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
	Accounting and a Bachelor of Arts degree from the University of British Columbia.		

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the Audit Committee.
- (3) Mr. Dumaresq also holds options to acquire 50,000 common shares at a price of \$3.25 until July 16, 2017 and options to acquire 50,000 common shares at a price of \$3.60 until October 9, 2019.
- (4) The Company intends to elect Messrs Cumming and Ma to the Audit Committee following the Meeting.
- (5) The Company intends to elect Messrs Cumming and Ma to the Compensation Committee following the Meeting.

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

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

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

Penalties or Sanctions

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

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended October 31, 2015, the Company had two Named Executive Officers (“NEOs”) being, Maxwell Birley, the Chief Executive Officer (“CEO”) and Joel Dumaresq, Chief Financial Officer (“CFO”). On November 19, 2015, the Company provided notice to Mr. Birley of the Company’s intent to terminate the consulting agreement between the Company and Maxwell Birley dated effective August 1, 2014 (the “**Birley Consulting Agreement**”), pursuant to which Maxwell Birley is engaged to act as the Company’s CEO. Under the terms of the Birley Consulting Agreement, the notice period will run for six months, at which point Mr. Birley will resign as CEO of the Company and the Birley Consulting Agreement will be terminated.

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

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. At this time, the Company has determined to compensate its executives through salaries or consulting fees, the grant of incentive stock options and discretionary bonuses. The discretionary bonuses are designed to add a variable component of compensation based on corporate and individual performances for executive officer and employees.

Neither the Board nor the compensation committee of the Company (the “**Compensation Committee**”) has proceeded to a formal evaluation of the implications of the risks associated with the Company’s compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme, and the Board and the Compensation Committee does not believe that the Company’s compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its NEOs based upon the recommendation of the Board. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's board.

Compensation Governance

The Compensation Committee, on behalf of the Board, monitors compensation for the executive officers of the Company. The Compensation Committee currently consists of two members; namely, Charles Watson and Stephen Lowden. All members of the Compensation Committee are considered independent. Following the Meeting, the Company intends to elect Messrs. Cumming and Ma to the Compensation Committee.

The following is a summary description of the mandate and responsibilities of the Compensation Committee as it relates to NEO compensation:

- (a) to review and approve corporate goals and objectives relevant to NEO compensation, including the evaluation and performance of the CEO in light of those corporate goals and objectives, and to make recommendations to the Board with respect to NEO compensation levels (including the award of any cash bonuses or share ownership opportunities);
- (b) to consider the implementation of short and long-term incentive plans, including equity-based plans, proposed by management, to make recommendations to the Board with respect to these plans and to annually review such plans after their implementation; and
- (c) to annually review any other benefit plans proposed by management and to make recommendations to the Board with respect to their implementation.

All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive roles within public companies, and therefore have a good understanding of compensation programmes. They also have good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of the Company's success factors and risks, which is very important when determining metrics for measuring success.

SUMMARY COMPENSATION TABLE

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

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Maxwell Birley ⁽²⁾ , CEO	2015	US\$614,800	N/A	Nil	Nil	N/A	N/A	Nil	US\$614,800
	2014	US\$438,700 ⁽⁴⁾	N/A	US\$252,479 ⁽⁵⁾	US\$100,000 ⁽⁷⁾	N/A	N/A	US\$200,000 ⁽⁷⁾	USD\$991,179
	2013	US\$380,000	N/A	US\$580,533 ⁽⁶⁾	US\$100,000	N/A	N/A	US\$200,000	USD\$1,260,533
Joel Dumaresq ⁽³⁾ , CFO	2015	389,901	N/A	Nil	N/A	N/A	N/A	Nil	389,901
	2014	232,904	N/A	\$141,048	N/A	N/A	N/A	Nil	373,952
	2013	137,500	N/A	91,642	N/A	N/A	N/A	Nil	229,142

Notes:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions for the years ended October 31, 2015 and October 31, 2014 and 2013 respectively:

	2014	2013
Risk-free interest rate:	1.43%	1.51%
Expected dividend yield:	N/A	N/A
Expected volatility:	115%	100%
Expected life of option:	5 years	3.89 years

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) On November 19, 2015, the Company provided notice to Mr. Birley of the Company's intent to terminate the Birley Consulting Agreement. Under the terms of the Birley Consulting Agreement, the notice period will run for six months, at which point Mr. Birley will resign as CEO of the Company and the Birley Consulting Agreement will be terminated.
- (3) Mr. Dumaresq was appointed as CFO of the Company on April 11, 2013.
- (4) Of Mr. Birley's US \$438,700 salary, US \$228,750 was paid under the 2013 agreement, US \$56,250 paid under Lion Consulting Agreement and US \$153,700 paid under the Birley Consulting Agreement (as defined below).
- (5) The option based awards have been converted to US dollars using the Bank of Canada rate on the October 9, 2014 of CAD 0.8950 [USD1.1173], being the date of grant of options.
- (6) The option based awards have been converted to US dollars using the average Bank of Canada rate for the fiscal period of CAD0.9170 [USD1.0905]. There were two grants during the 2013 fiscal year.
- (7) The Company issued 448,698 common shares with a deemed value of CAD\$162,094 to Mr. Birley pursuant to the 2013 Consulting Agreement. The rest of the compensation has been accrued.

Narrative Discussion

The Company entered into a consulting agreement dated August 1, 2012 with Maxwell Birley, pursuant to which Maxwell Birley was engaged to act as the Company's CEO (the "**2013 Consulting Agreement**"). Pursuant to the 2013 Consulting Agreement, Mr. Birley received a salary of US\$305,000 per annum and was eligible to receive an annual bonus of US\$100,000, subject to Mr. Birley achieving pre-determined performance milestones. In addition, Mr. Birley, on a semi-annual basis, received US\$100,000 for services performed during the previous six months. The 2013 Consulting Agreement terminated July 31, 2014.

Lion Petroleum Corp, a wholly owned subsidiary of the Company, entered into an employment agreement dated November 1, 2012 with Mr. Birley, whereby Mr. Birley would receive a salary of \$75,000 per annum (the "**Lion Consulting Agreement**") for his services as chief executive officer of the company. The Lion Consulting Agreement was for an initial term of 12 month and automatically renews for an additional 12

month period on each anniversary thereafter. The Lion Consulting Agreement was superseded by the Birley Consulting Agreement and is no longer in effect.

Under the terms of the Birley Consulting Agreement, Mr. Birley is engaged to act as the Company's CEO. The Birley Consulting Agreement is for a term of 12 months and shall renew automatically for an additional period of 12 months on each one year anniversary date. Pursuant to the Birley Consulting Agreement, Mr. Birley receives a salary of US\$614,800 per annum and is eligible to receive an annual bonus of up to US\$100,000, payable 50% in cash and 50% in common shares of the Company (the "**Annual Bonus**"). There was no Annual Bonus paid for the year ended October 31, 2015. In addition, pursuant to the Birley Consulting Agreement, Mr. Birley was granted 1,000,000 stock options at an exercise price of \$0.36 per common share until October 9, 2019 (the "**Birley Consulting Agreement Options**"). The Birley Consulting Agreement Options will vest over a period of three years.

On November 19, 2015, the Company provided notice to Mr. Birley of the Company's intent to terminate the Birley Consulting Agreement. Under the terms of the Birley Consulting Agreement, the notice period will run for six months, at which point Mr. Birley will resign as CEO of the Company and the Birley Consulting Agreement will be terminated. See "*Executive Compensation - Termination and Change of Control Benefits*".

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. As disclosed above, the Company has agreed to issue Mr. Birley common shares pursuant to the terms of the Birley Consulting Agreement. No other share-based awards are issued to NEOs.

The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Outstanding Option-Based Awards

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price ⁽¹⁾ (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Maxwell Birley, <i>CEO</i> ⁽²⁾	200,000	\$3.25	2017-01-21	Nil
	100,000	\$3.25	2017-07-16	Nil
	100,000	\$3.60	2019-10-09	Nil
Joel Dumaesq, <i>CFO</i>	50,000	\$3.25	2017-07-16	Nil
	50,000	\$3.60	2019-10-09	Nil

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on October 31, 2015 over the exercise price of the options. The market price for the Company's common shares on October 31, 2015 was \$0.065.
- (2) On November 19, 2015, the Company provided notice to Mr. Birley of the Company's intent to terminate the Birley Consulting Agreement. Under the terms of the Birley Consulting Agreement, the notice period will run for six months, at which point Mr. Birley will resign as CEO of the Company and the Birley Consulting Agreement will be terminated. Under the Company's Stock Option Plan, all vested options held by Mr. Birley terminate on the date which is 90 days following the date Mr. Birley ceases to be an Eligible Person, as such term is defined in the Stock Option Plan.

Incentive Plan Awards – Value Vested or Earned During the Year

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

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

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Maxwell Birley, <i>CEO</i> ⁽²⁾	Nil	N/A	Nil
Joel Dumaresq, <i>CFO</i>	Nil	N/A	N/A

Notes:

- (1) All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company's shares as of the date of grant.
- (2) On November 19, 2015, the Company provided notice to Mr. Birley of the Company's intent to terminate the Birley Consulting Agreement. Under the terms of the Birley Consulting Agreement, the notice period will run for six months, at which point Mr. Birley will resign as CEO of the Company and the Birley Consulting Agreement will be terminated. Under the Company's Stock Option Plan, all vested options held by Mr. Birley terminate on the date which is 90 days following the date Mr. Birley ceases to be an Eligible Person, as such term is defined in the Stock Option Plan.

Narrative Discussion

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. All capitalized terms in this section are as defined in the Company's Stock Option Plan.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The Option Price under each Option shall not be less than the Discounted Market Price on the Grant Date.
2. The number of Shares which may be issuable under the Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:
 - (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
 - (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis;
 - (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis; and
 - (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.

3. Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Stock Option Plan. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date.
4. If the Optionee ceases to be an Eligible Person (other than by reason of death or for cause) the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

The board of directors retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the Exchange, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

PENSION BENEFITS

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

TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as disclosed herein, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

Under the Birley Consulting Agreement, Mr. Birley's employment can be terminated by the Company at any time by providing Mr. Birley with six months' of his monthly fees (US\$307,400). In the event the Company, or any successor company, terminates the agreement within one year of a "Change of Control" (as defined in the Birley Consulting Agreement), the Birley Consulting Agreement Options will vest immediately. The Company can terminate the agreement at any time for cause.

DIRECTOR COMPENSATION

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

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

Director Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Charles Watson	40,000	N/A	Nil	N/A	N/A	Nil	40,000
Stephen Lowden	US\$80,000	N/A	Nil	N/A	N/A	Nil	US\$80,000

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

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

Outstanding Option-Based Awards

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Charles Watson	30,000	\$3.25	2017-01-21	Nil
	20,000	\$3.25	2017-07-16	Nil
Stephen Lowden	100,000	\$3.60	2019-04-14	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s shares on October 31, 2015 over the exercise price of the options. The market price for the Company’s common shares on October 31, 2015 was \$0.065.

Incentive Plan Awards – Value Vested or Earned During the Year

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

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

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Charles Watson	Nil	N/A	N/A
Stephen Lowden	Nil	N/A	N/A

Note:

- (1) All options granted to the Directors vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.

EQUITY COMPENSATION PLAN INFORMATION

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	820,000	\$3.50	234,863
Equity compensation plans not approved by the securityholders	Nil	N/A	Nil
Total	820,000	\$3.50	234,863

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

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

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

APPOINTMENT OF AUDITOR

Auditor

Management intends to nominate Davidson & Company LLP, Chartered Accountants, for re-appointment as auditor of the Company. Davidson & Company LLP was first appointed as the Company's auditors on April 12, 2012. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if

there is no direction, for the re-appointment of Davidson & Company LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

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

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. The Company's current audit committee consists of Messrs. Watson, Birley and Dumaresq and does not presently comply with the foregoing requirement. Following the Meeting, the Company intends to appoint Messrs. Cumming and Ma to the Audit Committee to replace Messrs. Watson and Birley.

Audit Committee Charter

The text of the audit committee's charter is attached as Schedule “A” to this Circular.

Composition of Audit Committee and Independence

The Company's current audit committee consists of Charles Watson, Maxwell Birley and Joel Dumaresq.

National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current audit committee members, Charles Watson is “independent” within the meaning of NI 52-110. Maxwell Birley is not “independent” as he is the Chief Executive Officer of the Company and Joel Dumaresq is not “independent” as he is the Chief Financial Officer of the Company.

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

Relevant Education and Experience

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

Charles Watson

Mr. Watson has over 30 years of oil and gas industry experience with Bechtel and Royal Dutch Shell plc, recently retiring as Chairman of Shell Russia, Chairman of the Board of Directors for the Sakhalin Energy Investment Company, and Executive Vice President Royal Dutch Shell plc covering Russia and the CIS. Mr. Watson also previously held the roles of Executive Vice President Shell Energy Europe, Executive Vice President Shell Gas and Power, and Vice President Exploration and Production for Africa, the Middle and India. Mr. Watson is also currently a Non-Executive Director of KAZ Minerals PLC (formerly Kazakmys PLC), a large mining company quoted on the FTSE 100.

Joel Dumaresq

For the past 11 years, Mr. Dumaresq has worked as Managing Director of Vancouver, Canada based private equity merchant banking firm Matrix Partners Inc. Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada. Mr. Dumaresq has acted in an operating capacity for a range of companies in the mining, forestry and resource space.

Maxwell Birley

Mr. Birley has over 30 years international exploration and production experience and has held senior roles with Marathon Oil, Premier Oil, and Oil Search Limited.

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

Reliance on Certain Exemptions

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

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Davidson & Company LLP, Chartered Accountants, for services rendered in the last two fiscal years.

	<u>2015</u>	<u>2014</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	27,000	37,000
Audit related fees ⁽²⁾	6,490	740
Tax fees ⁽³⁾	6,500	6,000
All other fees ⁽⁴⁾	Nil	Nil
Total	<u>\$39,900</u>	<u>\$43,740</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

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

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and senior management of the Company consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating three individuals to the Company's Board, one of which is a current director of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The

“material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. Of current members of the Board, Charles Watson and Stephen Lowden are considered “independent” within the meaning of NI 52-110 and each of Maxwell Birley, who is the CEO of the Company and Joel Dumaresq who is the CFO of the Company, are not considered to be “independent” within the meaning of NI 52-110. Of the individuals that management is nominating to the Company’s Board, John Cumming and Kevin Ma are considered “independent” within the meaning of NI 52-110.

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

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

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

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

Directorships

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

- Charles Watson¹ is a director of KAZ Minerals PLC; and
- Joel Dumaresq is a director of Parkit Enterprises Inc., Coronet Metals Inc., Cricket Resources Inc., Shelby Ventures Inc. and Sojourn Ventures Inc.

¹ Charles Watson is not seeking re-election as a director at the Meeting.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, Management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation Committee

The Compensation Committee is a committee comprised of two directors whose primary purpose is to enable the Company to recruit, retain and motivate employees and ensure conformity between compensation and other corporate objectives and review and recommend for Board consideration, all compensation packages, both present and future, for the Company's management and directors (including annual retainer, meeting fees, bonuses and option grants) including any severance packages. A majority of the members shall not be officers or employees of the Company and shall be unrelated, independent directors.

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

The Compensation Committee will meet as often as may be necessary or appropriate in its judgment.

In exercising its mandate, the Compensation Committee sets the standards for the compensation of directors, employees and officers based on industry data and with the goal to attract, retain and motivate key persons to ensure the long term success of the Company. Compensation generally includes the three (3) following components: base salary, annual bonus based on performance and grant of stock options. The Compensation Committee takes into account the North American context of its activities and increased competition in the market for its key personnel while also taking into account the performance and objectives set forth for the Company.

The Compensation Committee is accountable to the Board and reports to the Board at its next regular meeting all deliberations and actions it has taken since any previous report. Minutes of Compensation Committee meetings will be available for review by any member of the Board on request to the Compensation Committee Chairperson.

The members of the Compensation Committee are Charles Watson and Stephen Lowden. Following the Meeting, the Company intends to appoint Messrs. Cumming and Ma to the Compensation Committee.

Other Board Committees

The Board has no committees, other than the Audit Committee and Compensation Committee.

Assessments

Due to the minimal size of the Company's board of directors, no formal policy has been established to monitor effectiveness of the directors, the Board and its committees.

PARTICULARS OF MATTERS TO BE ACTED UPON

Confirming Stock Option Plan

Shareholders are being asked to confirm approval of the Company's stock option plan (the "**Stock Option Plan**") which was initially adopted by the directors of the Company on April 25, 2013. There have been no changes to the Stock Option Plan since it was adopted by the directors. The Stock Option Plan is subject to approval by the TSX Venture Exchange (the "**Exchange**").

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. All capitalized terms in this section are as defined in the Company's Stock Option Plan.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The Option Price under each Option shall not be less than the Discounted Market Price on the Grant Date.
2. The number of Shares which may be issuable under the Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:
 - (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
 - (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis;
 - (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis; and
 - (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.
3. Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a

further Option granted pursuant to the provisions of the Stock Option Plan. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date.

4. If the Optionee ceases to be an Eligible Person (other than by reason of death or for cause) the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the Exchange, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to October 31, 2015 a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company at 2630 - 1075 West Georgia Street, Vancouver, British Columbia V6E 3C9 or by telephone at (604) 336-3194.

TAIPAN RESOURCES INC.
Schedule “A”
Audit Committee Charter

1. PURPOSE

- 1.1 The primary functions of the Audit Committee of Taipan Resources Inc. (the “Company”) are to fulfill its responsibilities in relation to reviewing the integrity of the Company’s financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company’s compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

- 2.1 **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company’s management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.
- 2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member’s term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.
- 2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.
- 2.4 **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be an “independent” (as such term is used in National Instrument 52-110 - Audit Committees (“NI 52-110”).
- 2.5 **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member’s appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

- 2.6 **Venture Issuer** - For so long as the Company is a “venture issuer” as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 “Composition”, 2.4 “Independence” or 2.4 “Financial Literacy” above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Company or a subsidiary of the Company.

3. MEETINGS

- 3.1 **Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and Chief Executive Officer may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.
- 3.2 **Secretary and Minutes** - The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.
- 3.3 **Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.
- 3.4 **Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the Chief Financial Officer or the President and Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.
- 3.5 **Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. FUNCTIONS AND RESPONSIBILITIES

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

4.1 Financial Reports

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** – The Audit Committee shall review the annual consolidated audited financial statements (“financial statements” of the Company, the external auditors’ report thereon and the related management’s discussion and analysis (“MD&A”) of the Company’s financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with International Financial Reporting Standards (“IFRS”), or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.
- (c) **Review of Interim Financial Reports** – The Audit Committee shall review the interim financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting*, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** – In conducting its review of the annual financial statements of the interim financial statements, the Audit Committee shall:
 - (i) meet with management and the external auditors to discuss the financial statements and MD&A;
 - (ii) review the disclosures in the financial statements;
 - (iii) review the audit report or review report prepared by the external auditors;
 - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

- (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review results of the Company's whistleblowing program; and
- (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 **Approval of Other Financial Disclosures** – The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

4.3 **External Auditors**

- (a) **General** - The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** – The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors
- (c) **Annual Review Report** – At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** – At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.

- (e) **Quarterly Review Report** – If the external auditors review the Company’s unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** – At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** – At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** – The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) **Hiring Practices** – The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 Internal Controls

- (a) **General** – The Audit Committee shall monitor the system of internal control.
- (b) **Establishment, Review and Approval** – The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors:
 - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company’s internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management’s conclusions;

- (ii) any significant changes I internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4.5 **Whistleblowing Procedures** – The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

4.6 **Succession Planning** – In consultation with the Board, the Audit Committee shall review succession plans for the Chief Financial Officer and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of Chief Financial Officer of the Company and make recommendations to the Board with respect to the appointment of a Chief Financial Officer.

4.7 **Adverse Investments and Transaction** – The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

4.8 **Audit Committee Disclosure** – The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

4.9 **Assessment of Regulatory Compliance** – The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

4.10 **Delegation** – The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. **REPORTING TO THE BOARD**

5.1 The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

Approved and adopted by the Board effective September 26, 2012.