

MANAGEMENT INFORMATION CIRCULAR

July 31, 2015

MACARTHUR MINERALS LIMITED

ACN 103 011 436

FOR THE 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This management information circular (“**Information Circular**”) is furnished to shareholders (“**Shareholders**”) of MacArthur Minerals Limited (“**Macarthur**” or the “**Company**”) in order to explain the resolutions (the “**Resolutions**”) to be put to Shareholders at the Annual General Meeting of the Company (“**Meeting**”) to be held on Monday August 31, 2015 in Brisbane, Australia at 10:00 a.m. (Australian Eastern Standard Time) and at any adjournments thereof. The directors recommend Shareholders to read the accompanying Notice of Meeting and this Information Circular in full before making any decision in relation to the Resolutions.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

All dollar amounts are stated in Australian dollars unless specified otherwise. Information contained in this Information Circular is as at July 31, 2015 unless indicated otherwise.

Note that any reference in the Notice of Meeting or this Information Circular to “**Corporations Act**” means the *Corporations Act 2001* (C’th) and to the “**TSX-V**” means the TSX Venture Exchange and “**TSX**” means the Toronto Stock Exchange.

VOTING ENTITLEMENTS

The directors of the Company have set 7:00 a.m. on Wednesday, July 29, 2015 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m. (Pacific Daylight Time) on Tuesday, July 28, 2015 as the record date for determining Shareholders entitled to receive this Notice of Meeting and 7:00 a.m. Friday, August 28, 2015 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m. (Pacific Daylight Time) on Thursday, August 27, 2015) as the record date for determining the Registered Shareholders of the Company entitled to vote at the Meeting (“**Registered Shareholders**”). Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SOLICITATION OF PROXIES

This Information Circular is also furnished in connection with the solicitation of proxies by management (“**Management**”) for use at the Meeting. Any solicitation by Management will be conducted by mail or e-mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company and such cost of solicitation will be borne by the Company. In addition, the Company has also retained Laurel Hill Advisory Group to solicit proxies in connection with the matters to be considered at the Meeting as described herein for a fee of CAD\$25,000, plus reasonable out of pocket expenses.

APPOINTMENT OF PROXY HOLDER – REGISTERED SHAREHOLDER

A Registered Shareholder is entitled to attend (whether in their own right, or as a corporate representative, or power of attorney) and vote at the Meeting, or may, by lodging a valid proxy form, appoint another person (who need not be a Shareholder of the Company), to attend the Meeting and represent the Shareholder (a “Proxy Holder”). A Registered Shareholder may appoint a Proxy Holder by inserting that person’s name on the proxy form. If no person is named in the proxy form, the Chairman of the Meeting (“Chairman”) will be appointed as that Shareholder’s Proxy Holder. A Shareholder who holds two or more shares can appoint a maximum of two Proxy Holders to vote their shares.

A Proxy Holder can be appointed by a Registered Shareholder (or its attorney or other person duly authorised) in writing which must be signed or otherwise be authenticated in a manner permitted by the Corporations Act and the Company’s Constitution. If a proxy form is signed or otherwise authenticated by an attorney or other person duly authorised, the power of attorney or authority under which the proxy was signed or otherwise authenticated (or a certified copy of that power of attorney or authority) must be delivered to the Company at an address and time as specified below.

A Proxy Holder’s appointment will not be valid unless the completed proxy form is delivered to an address set out below by **7:00 a.m. on Friday, August 28, 2015 (Australian Eastern Standard Time) or Thursday, August 27, 2015 at 2:00 pm (Eastern Daylight Time) or 5:00 p.m. (Pacific Daylight Time)** or not less than 48 hours before the time for holding the Meeting or any adjournment of the Meeting (“**Proxy Cut-off Time**”). Proxy forms delivered after that time will not be accepted.

A proxy form is included with this Information Circular and completed forms can be submitted to Computershare, the Company's transfer agent, as follows:

- **by post and/or hand deliver to:** Computershare Investor Services Inc., 100 University Avenue, 8th Floor Toronto, ON M5J 2Y1, Canada
- **by fax to:** 1-866-249-7775 (Toll Free North America); +1 416-263-9524 (International)
- **by email to:** service@computershare.com

Proxy forms may also be delivered to the Company's registered office in Australia at Level 20, 10 Eagle Street, Brisbane, Queensland, Australia, posted to the Company at P.O. Box 7031, Brisbane, Queensland, 4000, Australia or by facsimile to the Company on 07 3221 6152 or +617 3221 6152 (if sent from overseas).

VOTING BY PROXY

Direction on how to vote

If you wish to direct the Proxy Holder how to vote, *please place a mark in the appropriate boxes that appear on the proxy form.*

The shares represented by a properly executed proxy form, where the Chairman is the Proxy Holder will:

- where a choice with respect to any matter to be acted upon has been specified in the proxy form or on any ballot or poll that may be taken, be voted in accordance with the specification made in such proxy form; and
- **On a show of hands or a poll, such shares will be voted in favour of each matter for which no choice has been specified, or where both choices have been specified by the Shareholder.**

No Direction on how to vote - General

If no person is named in the proxy form, the Chairman of the Meeting ("Chairman") will be appointed as that Shareholder's Proxy Holder. If you do **not** direct your Proxy Holder how to vote in respect of the Resolution(s), the Proxy Holder may cast your vote as the Proxy Holder thinks fit or may abstain from voting. By signing an undirected appointment you acknowledge that, subject to the Corporations Act, the Proxy Holder may exercise your vote even if he/she has an interest in the outcome of the Resolution(s) and even if votes cast by him/her other than as Proxy Holder will be disregarded because of that interest.

The enclosed proxy form, when properly completed, delivered and not revoked, confers discretionary authority upon the Proxy Holder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Chairman to vote in accordance with his best judgment on such matters or business. At the time of the printing of this Information Circular, Management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed Proxy Holders are permitted to vote at the Meeting. Most North American Shareholders of the Company are Non-Registered Shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your shares through a broker, you are likely to be a Non-Registered Shareholder.

Shares held by Nominees can only be voted (for or against resolutions) at the direction of the Non-Registered Shareholder. Without specific instructions, Nominees are prohibited from voting shares for Non-Registered Shareholders. **Therefore, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Proxy Cut-off Time.**

Existing regulatory policy requires Nominees to seek voting instructions from Non-Registered Shareholders in advance of Shareholders' meetings. The various Nominees have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their shares are voted at the Meeting. Often the proxy form supplied to a Non-Registered Shareholder by its broker is identical to the proxy form provided by the Company to the Registered Shareholders. 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 Non-Registered Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone,

for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of shares must be communicated to Broadridge) well in advance of the Proxy Cut-off Time in order to have the shares voted.**

There are two kind of Non-Registered Holders those who object to their name being made known to the issuers of securities which they own called OBOs, Objecting Beneficial Owners)and those who do not object to the issuers of the securities they own knowing who they are called NOBOs, Non-Objecting Beneficial Owners.

The Company may utilize the Broadridge Quickvote service to assist shareholders with voting their shares. NOBOs may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone.

Although Non-Registered Shareholders may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of their Nominee, a Non-Registered Shareholder may attend the Meeting as Proxy Holder for their Non-Registered shareholding and vote the shares in that capacity only in a poll. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their shares only on a poll as proxy holder for their Non-Registered shareholding should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Nominee (or the Nominee's agent) in accordance with the instructions provided by such Nominee.**

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to Registered Shareholders and Non-Registered Shareholders as at the record date of notice unless specifically stated otherwise.

REVOCABILITY OF PROXY

A Registered Shareholder who has submitted a proxy form may revoke it at any time in writing signed by the Registered Shareholder or by the Registered Shareholder's attorney or, where the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and received by the Company:

- In **Canada**: at any time up to **5:00 p.m. Thursday day, August 27, 2015 (Eastern Daylight Time)** by hand or by post to Computershare Investor Services Inc., 100 University Avenue, 8th Floor Toronto, ON, M5J 2Y1, Canada, or facsimile to 1-866-249-775 (Toll Free North America); +1-416-263-9824 (International) or via email on service@computershare.com;
- In **Australia**: at any time up to **5:00 p.m. (Australian Eastern Standard Time) on the last business day preceding the day of the Meeting** (or if adjourned, any reconvening thereof) to the head office of the Company, at Level 20, 10 Eagle Street, Brisbane, Queensland, Australia, or posted to P.O. Box 7031, Brisbane, Queensland, 4000, Australia, facsimile to 07 3221 6152 or +617 3221 6152 (if sent from overseas) or via email on communications@macarthurminerals.com; or
- to the Chairman on the day of the Meeting (or if adjourned, any reconvening thereof); or in any other manner provided by law.

A revocation of a proxy form does not affect any matter on which a vote has been taken prior to the revocation. Only Registered Shareholder have the right to revoke a proxy form. Non-Registered Shareholders who wish to change their vote must arrange for the respective Nominee to revoke their proxy form on their behalf.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein:

- (a) no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) no proposed nominee of Management of the Company for election as a director of the Company; and
- (c) no associate or affiliate of the foregoing persons;

has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in any matter to be acted upon at the Meeting other than the election of directors (Resolutions 1 to 5) and the adoption of the Share Compensation Plans (Resolution 7). See "*Particulars of Matters to be Acted Upon*" for further details.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of ordinary (common) shares without par value of which 68,038,628 shares were issued and outstanding on J31, 2015. The holders of common shares are entitled to one vote for each common share held.

To the knowledge of the directors and executive officers of the Company, at the date of this Information Circular, no disclosed person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company except the following:

<i>Name</i>	<i>No. of Common Shares Owned or Controlled</i>	<i>Percentage of Outstanding Common Shares</i>
Halliday Family Trust	11,200,000	16.46%

PARTICULARS OF MATTERS TO BE ACTED UPON

There are eight (8) items of business on the agenda for the Meeting, and seven (7) items to be acted upon.

1. FINANCIAL STATEMENTS & REPORTS

The Corporations Act and Canadian regulations require that the reports of the directors, the auditors' reports and the financial reports of the Company and its controlled entities for the year ended March 31, 2015 be laid before the Meeting. A copy of the reports will be provided to Shareholders who have requested a copy, filed on SEDAR and available on the Company's website (www.macarthurminerals.com). Neither the Corporations Act, Canadian regulations, nor the Company's Constitution requires a vote of Shareholders at the Meeting on such reports or statements. However, Shareholders will be given an opportunity to raise questions with respect to these reports and statements at the Meeting.

Following consideration of the reports, the Chairman will provide Shareholders an opportunity to ask questions about or comment on the management and audit of the Company.

2. ELECTION OF DIRECTORS (RESOLUTIONS 1 – 5)

The Company's Constitution requires that all newly appointed directors stand for re-election at the next annual general meeting and that the remaining directors, either through retirement by rotation or in order to comply with the TSX-V Corporate Finance Manual must stand for re-election at each annual general meeting. Shareholders will therefore have the opportunity to vote on the election of each director at the Meeting.

The Company has adopted a majority voting system which aligns with Australian corporate practice. Under majority voting in Australia, security holders can vote "for", "against" or "abstain" in relation to each resolution. On a show of hands, a resolution requires a majority of those present (whether voting in their own right or by Proxy Holder, corporate representative or power of attorney) to vote in favour of the resolution in order for it to be passed. Votes cast as an abstention are not counted in favour or against a resolution. If directors receive a majority of votes against, they will not be re-elected and their position on the board will cease in accordance with the Company's Constitution.

Under the Company's Constitution the minimum number of directors is three. The board of directors (the "Board") presently consists of five directors. The Company is required to have an Audit Committee and the members of this committee are as set out in the table below.

Information on the directors is as follows:

Name & Position⁽¹⁾	Principal Occupation or Employment during the past 5 years	Period of Service as an Officer or Director	Number of Shares and Options⁽³⁾
Earl Evans⁽²⁾ Non- Executive Independent Chairman New South Wales Australia	Mr Evans has held a range of management and executive roles throughout his 23 year career within the Financial Services industry. He has extensive experience as an investment banking executive including as Executive Director within the Macquarie Group Limited for 11 years spending the last 5 years in Canada as head of Banking and Financial Services for North America. Mr Evans has significant previous experience as a board director and has vast international and Australian based business expertise and relationships. Mr Evans is currently a Director and Head of the Wealth Management of Shaw and Partners.	Non- Executive Independent Director, appointed April 28, 2015 Executive Chairman, appointed May 14, 2015	0 shares 280,000 options

Name & Position ⁽¹⁾	Principal Occupation or Employment during the past 5 years	Period of Service as an Officer or Director	Number of Shares and Options ⁽³⁾
<p>Alan Joseph (“Joe”) Phillips Executive Director, CEO</p> <p>Queensland, Australia</p>	<p>Prior to Mr Phillips’ appointment as CEO, he was the COO of the Company (appointed October 15, 2010). Mr Phillips had an extensive 16 year career in public administration with eight years as the general manager for economic development for the city of Brisbane, followed by a period as an executive of Energex, the Queensland Government owned electricity company and completing this phase of his career as the executive responsible for the privatisation of Queensland Government owned lottery business. Educated at the University of Queensland he combines strong project management skill with a discipline in economics and a detailed understanding of the operation of public administrations and the elected governments in Australia.</p>	<p>Executive Director and CEO, appointed April 28, 2015</p>	<p>2,521,059 shares⁽⁴⁾ 0 options</p>
<p>Cameron McCall⁽²⁾ Non-Executive Independent Director</p> <p>Queensland, Australia</p>	<p>Mr McCall has a wealth of experience across the financial services and commercial property industries within Australia and internationally. He has been providing investment advice, equity capital raising and share trading for over 17 years to corporate entities and private clients at Hartleys Limited and Macquarie Bank Limited. Mr McCall has during his 40 year career built an extensive network of international and Australian based high net worth individuals and corporate entities. Mr McCall is currently running a corporate advisory business providing advice on asset acquisition and capital raising to international and Australian based organisations.</p>	<p>Non-Executive Independent Director, appointed April 28, 2015</p>	<p>2,374,750 shares 280,000 options</p>
<p>David Taplin⁽²⁾ Executive Director, CFO, General Counsel and Company Secretary</p> <p>Queensland, Australia</p>	<p>Mr Taplin has held positions as chief financial officer, company secretary, general counsel and in corporate development for several ASX, TSX and TSX-V companies and government-owned corporations, with a particular focus on resources and energy. Mr Taplin has worked extensively in corporate finance, corporate law and corporate governance both in Australia and internationally. He has regularly instructed courses in corporate governance at some of Australia’s leading business schools and professional institutions. Mr Taplin holds Bachelor of Laws, Master of Business Administration (AGSM), Graduate Diploma of Applied Corporate Governance, Graduate Diploma of Business Management, and is a solicitor, CPA, Chartered Secretary (AGIS and FGIA) and member of the Australian Institute of Company Directors.</p>	<p>Executive Director, appointed April 28, 2015 CFO, GC & CS, appointed August 31, 2009</p>	<p>2,672,974 shares⁽⁴⁾ 0 options</p>
<p>Alan Spence Phillips Executive Director</p> <p>Queensland, Australia</p>	<p>Mr Phillips was the President and CEO of the Company, from his appointment on August 31, 2009 until his resignation on April 28, 2015. Mr Phillips was also the Chairman from August 31, 2009 until his resignation as Chairman on May 14, 2015. Mr Phillips has been a senior executive, director and chairman of ASX, TSX-V, TSX and AIM listed companies over a period of 40 years. Mr Phillips specialises in start-up and turnaround companies across a broad range of industries, but predominantly in the mining and exploration of copper, gold, ethanol and iron ore and technology sectors.</p>	<p>Executive Director, appointed October 19, 2005 Re-appointed for a further term in 2010, 2011 and 2014.</p>	<p>0 shares 0 options</p>

Notes:

1. The information as to place of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.
2. Member of Audit Committee, Mr. McCall is the Chair.
3. Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at July 31, 2015, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.
4. 2,909,000 shares are held by First Apollo Capital Limited (“First Apollo”). A S Phillips was a former director of First Apollo (resigned 16 July, 2010), his wife J Phillips (since 1 June, 2005) and his son Joe Phillips (since 16 July, 2010) are directors of First

Apollo and D Taplin, CFO, General Counsel and Company Secretary, is a director and secretary of First Apollo (since 17 July, 2008). Accordingly, A S Phillips has previously held while a director, and J Phillips, Joe Phillips and D Taplin, currently hold as directors, positions in First Apollo, that result in them having (or having previously had in the case of A S Phillips), significant influence over First Apollo for the purposes of relevant Australian accounting standards.

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

To the knowledge of the Company, no proposed director of the Company is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any corporation (including the Company) that:

- (a) was subject to an order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “Order”), that was issued while the proposed director was acting in the capacity as a director, CEO or CFO; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (c) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) 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
- (d) 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 that individual; or
- (e) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) has been subject to any 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.

Directors’ Recommendation

The directors (except for their interests) recommend that Shareholders vote in favour of the re-election of each director.

The Chairman of the Meeting intends to vote in favour of the respective Resolutions where there are no directions indicated on the proxy form.

3. APPOINTMENT OF CANADIAN AUDITOR (RESOLUTION 6)

Davidson & Company LLP, Chartered Accountants of Vancouver, British Columbia, Canada has been the auditors of the Company in Canada since August 15, 1997. Unless otherwise instructed, the proxies given in favour of the Chairman will be voted for the re-appointment of Davidson & Company LLP, Chartered Accountants as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

Under Australian law, the Company’s corporate auditors, Hayes Knight (QLD) Pty Ltd, were appointed by Shareholders in 2014 and do not require re-appointment every year at the annual general meeting.

Directors’ Recommendation

The directors recommend that Shareholders vote in favour of the appointment of Davidson & Company LLP as the Company’s Canadian auditors.

The Chairman of the Meeting intends to vote in favour of the respective resolution where there are no directions indicated on the proxy form.

4. ADOPTION OF EMPLOYEE SHARE COMPENSATION PLAN AND CONSULTANT SHARE COMPENSATION PLAN (RESOLUTION 7)

Background

The Company currently has two incentive plans, the Employee Share Compensation Plan and the Consultant Share Compensation Plan (collectively the “Share Compensation Plans”). The Share Compensation Plans were accepted by the Toronto Stock Exchange (“TSX”), and approved by Shareholders at the Company’s AGM held on August 29, 2012, and are in effect until September 29, 2015. When the Share Compensation Plans were drafted the Company sought extensive Australian and Canadian legal advice, tax advice and consulted closely with the TSX.

The Share Compensation Plans provide participants with the opportunity, not only through the grant of stock options, but also through the award of restricted share units (“**RSUs**”), share purchase scheme (the “**SPS**”) and share bonus scheme (the “**SBS**”) to acquire an ownership interest in the Company.

The Share Compensation Plans have been summarized as set out below and is put forward to Shareholders for approval as Resolution 7.

Australian Corporations Act Requirements

Chapter 6D of the *Corporations Act 2001* (C’th) (“**Corporations Act**”) requires that, subject to certain exemptions, the Company provide prospectus level disclosure before an offer of securities (which includes share based compensation) is made. However, the Australian Securities and Investments Commission (“**ASIC**”) provides relief from prospectus level disclosure for employee incentive schemes. The Company has previously relied on such relief, hence the need for two plans:

- the Employee Share Compensation Plan; and
- the Consultant Share Compensation Plan.

The Employee Share Compensation Plan relies on relief from prospectus level disclosure pursuant to ASIC Class Order 14/1001 (formerly AISC Class Order 03/184) and the Consultant Share Compensation Plan on general disclosure exemptions.

The two plans have an aggregate limit of 10% of issued capital. The Employee Share Compensation Plan has been increased from the previous limit of 5% to 10%, within the overall aggregate limit of 10% across the Share Compensation Plans. This increase relates to a change in increase in ASIC’s allowable threshold for issuance of employee share based incentives on which relief from disclosure is permitted.

Summary of the Amendments made to the Share Compensation Plans

On June 25, 2015, the Company was relisted on the TSX-V, and as such, is required to comply with the TSX-V Corporate Manual (“**Manual**”).

The Company is proposing to amend and restate the Share Compensation Plans to comply with the Manual, to the extent they differ from the TSX Company Manual, which the Company was formerly subject to. The TSX-V has provided their conditional approval on the Share Compensation Plans.

Policy 4.4 of the Manual was reviewed to ensure the Company is in compliance with TSX-V requirements. Although the previously TSX approved Share Compensation Plans were largely compliant with TSX-V requirements, the Company proposes the following amendments be made within the Share Compensation Plans to comply with TSX-V requirements:

- replace any reference to the TSX with the TSX-V;
- clarify the definition of “Consultant”, “Eligible Persons” and “Participant” as per the definition of the Manual;
- remove the definition of “Fair Market Value”, as it is no longer applicable under the Manual;
- include the definition of “Affiliate”, “Casual Employee”, “Consultant Company”, “Contractor”, “Director”, “Distribution”, “Discounted Market Price”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Market Price” and “Prospective Participant” as per the definition of the Manual and ASIC;
- include or amend the following conditions or provisions, as per the Manual:
 - so that the Remuneration and Nomination Committee may recommend to the Board the administration of the Share Compensation Plans, if such committee has been appointed;
 - limit the aggregate number of Common Shares issued to any one Consultant, at any time, to 2% of Common Shares then issued and outstanding, within any one-year period;
 - limit the aggregate number of Common Shares issued to all Participants that provide Investor Relations Activities at any time, to 2% of Common Shares then issued and outstanding, within any one-year period;
 - limit the aggregate number of Common Shares issued for Restricted Share Units, Bonus Shares; and the Share Purchase Scheme exceeding in the issuance of 2,800,000, within any one-year period;
 - Participants retained to provide Investor Relations Activities can only participate in Options. They are not allowed to receive Restricted Share Units, Bonus Shares and Common Shares pursuant to the Share Purchase Scheme;
 - the grant of any RSUs, Bonus Shares and Common Shares pursuant to the SPS to Insider Participants must receive disinterested shareholder approval;

- implement Option vesting criteria for Participants that provide Investor Relations Activities and monitoring the trading in securities of the Company by all Participants that provide Investor Relations Activities;
 - the exercise price of each Option which shall not be less than the Discounted Market Price on the Grant Date;
 - if the exercise price is a discount to the Market Price the Hold Period applies and will be legended in accordance with the Manual;
 - include various other forms of payment for the exercise of Options;
 - that any withholding or deduction of moneys for taxation purposes shall not result in the alteration of the exercise price of an Option, or result in the cashless exercise of Options, unless it is done in accordance with section 8.3;
 - remove any possibility of a cashless exercise;
 - clarify what requires shareholder approval and what requires disinterested shareholder approval to amend the Share Compensation Plans;
 - remove reference to being able to transfer an Option to family members;
 - any amendment or termination of the Share Compensation Plans will be in accordance with the Manual;
 - shareholder approval is required where an amendment to the Share Compensation Plans would:
 - reduce the exercise price of any Option granted under this Plan if the Participant is an Insider of the Corporation at the time of the proposed amendment;
 - amend the method for determining the Exercise Price of Options;
 - amend the expiry and termination provisions applicable to RSUs, Options, a SPS or SBS;
 - particular wording about the Company's reliance on ASIC class orders or other exemption contained in the Corporations Act;
 - that the Share Compensation Plans must be approved by shareholders of the Company on a yearly basis at the Company's Annual General Meeting; and
- minor typographical amendments.

Summary of the Share Compensation Plans

The Share Compensation Plans provide participants with the opportunity, through RSUs, options, the SPS and the SBS to acquire an ownership interest in the Company.

- RSUs are units that rise and fall in value based on the value of the Company's shares. Unlike options, RSUs do not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one common share following the attainment of vesting criteria determined at the time of the award. See "*Restricted Share Units*" below.
- Options are rights to acquire the Company's common shares upon payment of monetary consideration (i.e. the exercise price), subject also to vesting criteria determined at the time of the grant. See "*Options*" below.
- The SPS will give participants the opportunity to purchase shares by making contributions from their salary and a part contribution by the Company. See "*Share Purchase Scheme*" below.
- The SBS gives the Company the discretion to allot, issue and distribute common shares to eligible participants who are deemed to have provided an extraordinary contribution to the Company. See "*Share Bonus Scheme*" below.

Purpose of the Share Compensation Plans and Participants

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its Shareholders by:

- (a) ensuring that the interests of directors, officers, employees and consultants are aligned with the success of the Company;
- (b) encouraging share ownership by such persons; and
- (c) providing compensation opportunities to attract, retain and motivate such persons.

Each director (including non-executive directors), officer, employee and consultant of the Company and its subsidiaries, that are confirmed as bona fide eligible persons, will be eligible to participate in the Share Compensation Plans. See "*Restrictions on the Issuance of Shares from Treasury Under the Share Compensation Plans*" below.

Participants retained to provide Investor Relations Activities can only participate in Options. They are not allowed to receive RSUs, Bonus Shares and Common Shares pursuant to the SPS.

Administration of the Share Compensation Plan

The Share Compensation Plans will be administered by the Board or other such persons as may be designated by the Board from time to time (the “**Administrators**”) which may be through the recommendation of the Remuneration and Nomination Committee of the Board (if such a committee is appointed), which will determine, from time to time, the eligibility of persons to participate in the Share Compensation Plans, when RSUs, options and shares under the SBS (“**Bonus Shares**”) will be awarded or granted, the number of RSUs, options and Bonus Shares to be awarded or granted, the vesting criteria for each award of RSUs and grant of options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and stock exchange requirements. In addition, the Administrators will determine the amount that participants and the Company may contribute under the SPS and whether such contributions shall be used to subscribe for shares from treasury or purchase shares from the market. See “*Share Purchase Scheme*” below.

The grant of any Restricted Share Units, Bonus Shares and Common Shares pursuant to the Share Purchase Scheme to Insider Participants must receive disinterested shareholder approval.

Number of Shares Available for Issuance under the Share Compensation Plan

The number of shares available for issuance from the treasury under the Share Compensation Plan must not at any time exceed 10% of the shares then issued and outstanding. These limits do not apply to shares purchased from the market under the SPS.

Restrictions on the Issuance of Shares from Treasury Under the Share Compensation Plans

Certain additional restrictions on the number of shares issuable from treasury under the Share Compensation Plans will apply as follows:

- (a) the number of shares issuable from treasury to insiders cannot exceed 10% of the shares then outstanding;
- (b) the number of shares issued from treasury to insiders within any one-year period cannot exceed 10% of the shares then outstanding;
- (c) the number of shares issued from treasury to any one person at any time cannot exceed 5% of the shares then outstanding within any one-year period;
- (d) the number of shares issued to any one consultant at any time cannot exceed 2% of shares then outstanding, within any one-year period;
- (e) the number of shares issued to all persons that provide investor relations activities at any time cannot exceed 2% of shares then outstanding, within any one-year period;
- (f) the aggregate number of Common Shares issued for RSUs, Bonus Shares; and the SPS cannot exceed in the issuance of 2,800,000, within any one-year period, including:
 - (i) provided that no other limits are breached the aggregate number of shares issuable as Bonus Shares under the Employee Share Compensation Plan; and under the Consultant Share Compensation Plan cannot exceed 400,000 shares each year; and
 - (ii) provided that no other limits are breached the aggregate number of shares issuable under the SPS pursuant to the Employee Share Compensation Plan and the Consultant Share Compensation Plan cannot exceed 400,000 shares each year.

The foregoing restrictions do not apply to shares purchased on the market under the SPS.

Restricted Share Units

- (a) Mechanics for RSUs

RSUs awarded to participants under the Share Compensation Plan will be credited to an account that will be established on their behalf and maintained in accordance with the Share Compensation Plans. Each RSU awarded will conditionally entitle the holder thereof to the issuance of one common share upon achievement of the vesting criteria.

(b) Vesting Provisions

The Share Compensation Plans provide that:

- (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs;
- (ii) vesting of RSUs may include criteria such as time vesting criteria or performance vesting;
- (iii) RSUs with time vesting criteria would, at a minimum (i.e. as the least restrictive criteria), vest in respect 33 $\frac{1}{3}$ % of the shares subject to RSUs on the first day after each of the first three anniversaries of the award date of such RSUs;
- (iv) RSUs with performance vesting criteria would, at a minimum (i.e. as the least restrictive criteria), vest on the first day after the first achievement of vesting criteria as determined by the Administrators; and RSUs issued to persons retained to provide investor relations activities vest in accordance with TSX-V Corporate Finance Manual.

(c) Termination, Retirement and Other Cessation of Employment in connection with RSUs

A person participating in the Share Compensation Plans will cease to be eligible to participate in the following circumstances: (a) where a participant voluntarily resigns from their position on the termination date included in any notice of termination of employment; (b) where a consultant terminates for convenience (insofar as it is possible pursuant to the terms of the consultant's contract) on the termination date included in any notice of termination of contract or service; (c) in all other circumstances, by the giving of any notice of termination of employment (whether voluntary or with just cause or without cause), or any cessation of employment or service for any reason whatsoever, excluding disability or death; or (d) in all other circumstances by the giving of notice by the Company to a consultant of termination of contract, excluding notice of termination of contract due to disability or death of the primary person who provides management or consulting services, excluding disability or death (an "**Event of Termination**").

If an Event of Termination occurs after the vesting date of the RSUs, but prior to settlement of the award of shares, to the extent permitted under applicable laws and the rules of the TSX-V and any other applicable exchange that the Company may be listed on from time to time (the "**Listing Rules**"), the settlement shall occur as soon as practicable after the Event of Termination. If an Event of Termination has occurred prior to the vesting date by voluntary resignation, under the Employee Share Compensation Plan, or by termination for convenience, under the Consultant Share Compensation Plan, or a participant is terminated for just cause under both Share Compensation Plans, all of the participant's unvested RSUs will immediately be null and void. If an Event of Termination has occurred by the Company, without cause, all RSUs of the participant shall immediately vest and shall be paid out in shares no later than 10 days after the Event of Termination.

If a participant dies or suffers a disability which the Administrators, in their sole and unfettered discretion, consider likely to permanently prevent the participant (or the primary person who provides management or consulting services to the Company or to any entity controlled by the Company) from: (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which they were last employed or engaged by the Company or its subsidiaries; or (b) acting as a director or officer of the Company or its subsidiaries (a "**Disability**"), the RSUs then held by the participant shall vest, depending on applicable time vesting criteria or achievement of performance criteria, at any time up to but not after the earlier of: (i) 365 days after the date of death or Disability; and (ii) the expiration date of the RSUs.

(d) Other Terms

Under the Share Compensation Plans, should the vesting of an RSU fall within a blackout period the vesting will be automatically extended to the business day after the end of the blackout period.

Under the Consultant Share Compensation Plan, if a participant's contract term ends after the vesting date of the RSUs, but prior to settlement of the award of shares, to the extent permitted under applicable laws and the Listing Rules, the settlement shall occur as soon as practicable after the expiry of the contract term. If the vesting of a participant's RSUs is delayed due to a blackout period, but the participant's contract ends on, or after, what would have been the vesting date but for the blackout period, the RSUs shall still vest in accordance with their terms despite expiry of the contract term. In all other cases, if a participant's contract term ends prior to the vesting date all rights of the participant in unvested RSUs granted to the participant shall be immediately null and void as of the date of the expiry of the contract.

Under the Share Compensation Plans, all unvested RSUs shall vest on occurrence of a "Change of Control". A "Change of Control" means: (i) the acceptance of a bona fide arm's length offer made to all holders of voting shares in the capital of the Company to purchase, directly or indirectly, voting shares in the capital of the Company (an "**Offer**") by a sufficient number of holders of voting shares in the capital of the Company to constitute the offeror, together with persons acting jointly or in concert with the offeror, a Shareholder of the Company being entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Company (provided that prior to the Offer, the offeror

was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Company), (ii) the completion of a consolidation, merger or amalgamation of the Company with or into any other corporation whereby the voting Shareholders of the Company immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation, (iii) the completion of a sale whereby all or substantially all of the Company's undertakings and assets become the property of any other entity and the voting Shareholders of the Company immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale, (iv) a change in the composition of a majority of the board within a 60 day period as a result of a Shareholder (alone or collectively with other Shareholders) being able to exert control or influence over the composition of the Board, and so exercise such control or influence; or (v) any similar event or transaction not specifically contemplated by this section paragraph as determined by the Company in its sole discretion, acting reasonably, including but not limited to a change in control of the Board.

Options

(a) Mechanics for Options

Each option granted will entitle the holder thereof to the issuance of one share upon achievement of the vesting criteria and payment of the applicable exercise price.

(b) Termination, Retirement and Other Cessation of Employment in connection with Options

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination (as defined above).

If an Event of Termination occurs as a result of termination for just cause, any unvested options held by such participant on the date of such termination, shall be cancelled as of that date. Except as otherwise stated in the Share Compensation Plans or otherwise determined by the Administrators in their discretion, upon the occurrence of an Event of Termination that includes termination by voluntary resignation, under the Employee Share Compensation Plan, or by termination for convenience, under the Consultant Share Compensation Plan, or termination other than for just cause, under both Share Compensation Plan, any unvested options granted to the affected participant shall vest immediately and may be exercised only before the earlier of: (i) the expiry of the option; and (ii) 90 days after the date of the Event of Termination.

If a participant (or in the case of a consultant company, the primary person who provides management or consulting services to the Company or to any entity controlled by the Company), the options then held by the participant shall vest and be exercisable to purchase shares at any time up to but not after the earlier of: (i) 365 days after the date of death or Disability; and (ii) the expiration date of the options.

(c) Other Terms

The Administrators will determine the exercise price and term/expiration date of each option, provided that the exercise price shall not be less than the prescribed discount permitted by the TSX-V from the market price on the date of grant; and no option shall be exercisable after five years from the date on which it is granted.

Should the term of an option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

If a Change of Control occurs, all options will become vested, whereupon such option may be exercised in whole or in part by the optionee, subject to the approval of the TSX-V, if necessary.

If a bona fide Offer for shares is made to a participant who holds options or to Shareholders of the Company generally or to a class of Shareholders which includes the options held by a participant, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the *Securities Act* (British Columbia), the Company may, upon receipt of notice of the Offer, determine in its discretion whether to amend the vesting provisions of the options and notify each affected participant of full particulars of the Offer, whereupon (subject to the approval of the TSX-V) the vesting provisions of the options may be accelerated and the options may be exercised in whole or in part by the participant so as to permit the participant to tender the shares received upon such exercise, pursuant to the Offer. Subject to approval of the TSX-V, the Administrators may declare that the expiry date for the exercise of all unexercised options granted under the Share Compensation Plan is accelerated so that all options will either be exercised or will expire prior to the date upon which common shares must be tendered pursuant to the Offer. However, if: (a) the Offer is not completed within the time specified therein; or (b) all of the shares tendered by the participant pursuant to the Offer are not taken up or paid for by the offeror in respect thereof, then the shares received upon such exercise, or in the case of clause (b) above, the shares that are not taken up and paid for, may be returned by the participant to the Company and reinstated as authorized but unissued shares and with respect to such returned shares, the participant's options shall be reinstated as if it had not been exercised and the terms upon which such options were to become vested shall be reinstated.

If any shares are returned to the Company under this provision, the Company shall immediately refund the exercise price received by the Company to the participant for such options.

Share Purchase Scheme

(a) Mechanics for the SPS

The Administrators shall designate the participants which may be entitled to participate in the SPS, however, Canadian residents shall not be entitled to participate in the SPS. Such participants will be entitled to make contributions from salary or consultant fees for services up to a limit set by the Administrators (to a maximum of 20% of their annual contracted amount). The Administrators shall also determine the contribution that will be made by the Company (up to a maximum of 25% of each participant's contribution). The Administrators shall determine whether a Purchase Scheme Treasury Option (as defined below) or a Purchase Plan Market Option (as defined below) will be utilized.

(b) Purchase Scheme Treasury Option

Under the purchase scheme treasury option (the "**Purchase Scheme Treasury Option**") each of the participant's contribution and the Company's contribution shall be aggregated ("**Aggregate Contribution**") and common shares shall be issued from treasury for the account of each participant. The number of common shares that are issued for the account of each participant is based on their Aggregate Contribution divided by market trading price of the common shares on any exchange where the common shares are listed (including the TSX-V).

(c) Purchase Scheme Market Option

Under the purchase scheme market option (the "**Purchase Scheme Market Option**") the participant's contribution and the Company's contribution will be paid into a trust (the "**Purchase Scheme Trust**") and the Purchase Scheme Trust will use the Aggregate Contribution to purchase common shares on the open market.

(d) Determination of Purchase Scheme Treasury Option or Purchase Scheme Market Option

At the commencement of every calendar quarter, the Administrators shall determine whether Aggregate Contributions in respect of a participant shall be used to:

- (i) purchase shares to be issued from treasury under the Purchase Scheme Treasury Option; or
- (ii) purchase shares through the facilities of the TSX-V (or such other stock exchanges as the Company may designate from time to time) under the Purchase Scheme Market Option, for the next following calendar quarter; provided that, if the Administrators do not make such a determination in respect of any calendar quarter, participants shall continue to participate in the SPS in the next following calendar quarter on the same terms and in the same manner as in the preceding calendar quarter.

Participants shall initially participate in the Purchase Scheme Treasury Option until such determination is changed by the Administrators. Each participant shall be advised in writing of his or her participation in the Purchase Scheme Treasury Option or the Purchase Scheme Market Option and shall be advised of any changes in such participant's participation under the SPS Holding and Delivery of Shares.

(e) Common Shares Held in Trust

All common shares issued to or purchased by the trustee of the Purchase Plan Scheme Trust (the "**Trustee**") on behalf of a participant shall be held by the Trustee in trust for the benefit of such participant and the Trustee shall record the number of common shares so held by the Trustee for the benefit of the participant.

The common shares held by the Trustee on behalf of a participant pursuant to the SPS shall be voted by the Trustee at each meeting of the Shareholders of the Company in accordance with the timely instructions of such participant and, for the purposes thereof, the Trustee shall, at the expense of the Company cause each participant to be provided with a copy of the notice of meeting, information circular and proxy for each meeting of the shareholders of the Company together with an appropriate form on which the participant may indicate voting instructions to the Trustee, or alternatively, the Trustee may deliver to the participant a proxy for use at such meeting, duly endorsed by the Trustee, indicating the number of common shares held by the Trustee for such participant, entitling the participant to deposit such proxy directly with the Company in connection with such meeting.

The Trustee shall promptly advise all participants of take-over bids, issuer bids, rights offerings and other events notice of which is given to the Trustee or its nominee as the registered holder of common shares and cause all participants to be provided with copies of all materials delivered by the Company to the Trustee or its nominee in connection therewith and exercise the rights with respect thereto at the timely direction of the participant upon the participant providing such instructions, information or funds to the Trustee as may be specified by the Trustee.

Unless otherwise provided in the Share Compensation Plan, common shares held for the benefit of a participant in trust with the Trustee shall be delivered to the participant at such times as determined by the Administrators in consultation with the Trustee. With respect to any common shares held by the Trustee for the benefit of any participant on which the Hold Period (as defined below), if any, has not expired at such delivery time, the Trustee shall transfer the common shares then held in trust for such participant in his/her name and deliver such common shares to the participant within five (5) Business Days after expiry of the Hold Period. No fractional shares shall be delivered to any participant and the Trustee shall hold any unused balance of the Aggregate Contribution in respect of a participant in trust on behalf of such participant until used in accordance with the SPS or otherwise returned to the participant or Company, as applicable, in accordance with the terms of the SPS.

Unless otherwise provided under the terms of the Purchase Scheme Trust a participant shall be entitled to authorise and direct the Trustee to sell at or above the Market Price (as defined below) the common shares to which a participant is entitled to under the Purchase Scheme Trust, subject to applicable laws and Listing Rules, including compliance with the Hold Period (as defined below).

“Market Price” means the last closing price per Common Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date.

(f) Termination of Contract and the SPS

If a participant ceases to be eligible to participate in the SPS for any reason including an Event of Termination, any cash portion of the participant’s contribution then held on behalf of such participant shall be paid to the participant:

- (i) Under the Purchase Plan Treasury Option, any cash portion of the Company’s contribution made on behalf of such participant to the Purchase Scheme Trust then held by the Purchase Scheme Trust shall be forfeited, and subject to the discretion of the Administrators, any common shares issued on behalf of such participant from time to time for the Aggregate Contribution then held in safekeeping for a participant, subject to applicable law and Listing Rules, be delivered to such participant subject to compliance with applicable law and Listing Rules, including expiry of the Hold Period (as defined below);
- (ii) Under the Purchase Plan Market Option any cash portion of the Company’s contribution made on behalf of such participant to the Purchase Scheme Trust then held by the Purchase Scheme Trust shall be forfeited, and subject to the discretion of the Administrators, such Employee shall be entitled to receive the common shares purchased by the Purchase Scheme Trust with the Company’s contribution made in respect of such participant up to the end of the quarter immediately prior to the date of the Event of Termination and shall forfeit the amount of the Company’s contribution and any Common Shares purchased with such Company’s contribution made in respect of such Employee after the end of such quarter.

If a participant shall cease to be employed or consultant’s contract terminated by the Company and all designated affiliates by reason of Disability or the death of the participant:

- (i) such participant shall automatically cease to be entitled to participate in the SPS; and
- (ii) any issuance from treasury, purchase from the market and delivery of common shares by the Trustee in respect of such participant, shall not be accelerated by the Disability or death of such participant and shall occur on the date on which such common shares would otherwise have been issued, purchased and delivered to such participant had the Disability or death of the participant not occurred and the Company shall pay any unused portion of the Aggregate Contribution then held by the Trustee on behalf of such participant to the participant or the estate of the participant, as the case may be.

(g) Other Terms

Any participant may at any time during a calendar year, other than during the month of December, elect to withdraw from the applicable Share Purchase Plan. The participant’s contribution contributed to the date of withdrawal will continue to be held in trust on behalf of the participant and issued at the time they would otherwise have been issued as if the participant had not withdrawn.

Share Bonus Scheme

(a) Mechanics of the SBS

The Administrators shall have the authority to allot, issue and distribute Bonus Shares to any participants whom the Administrators, in their sole and absolute discretion deem to have provided extraordinary contributions to the advancement of the Company as a discretionary bonus.

Bonus Shares will be issued at a deemed price determined by the Administrators at the time of issuance of such bonus shares, but such price shall not be less than the daily closing price per common share on the TSX-V on the trading day immediately preceding the day on which the bonus shares are issued.

(b) Other Terms

The pool of Bonus Shares available for any given year if not distributed cease to be available at the end of the year and do not accumulate or become available for any succeeding year.

Transferability

RSUs awarded and options granted under the Share Compensation Plan are non-transferable other than in accordance with the Share Compensation Plan.

Unless otherwise provided under the terms of the Purchase Scheme Trust a participant shall be entitled to authorise and direct the Trustee to sell at or above the current market price the common shares to which a participant is entitled to under the Purchase Scheme Trust.

Hold Period

All shares issued from treasury to a participant under the Share Compensation Plan, other than shares issued on the exercise of options, are subject to a four month and one day hold period, such longer period as may be required by law or any regulatory authority having jurisdiction over the securities of the Company (the “**Hold Period**”). Shares purchased on the market under the SPS will not be subject to the Hold Period.

If the exercise price of any options issued is at discount to the Market Price, the Hold Period applies from the Grant Date and will be legended in accordance with the Manual.

Investor Relations Activities

Any options or RSUs issued to Participants retained to provide Investor Relations Activities vest in accordance with Manual.

The Administrators must, through the establishment of appropriate procedures, monitor the trading in the securities of the Issuer by all Participants performing investor relations activities. These procedures may include, for example, the establishment of a designated brokerage account through which the participant conducts all trades in the securities of the Company or a requirement for such participants to file insider trade report to the Administrators.

Amendment Provisions in the Share Compensation Plans

The Board may amend the Share Compensation Plans or any RSU or option at any time without the consent of any participants under the Share Compensation Plans provided that such amendment shall:

- (a) not adversely alter or impair any RSU previously awarded or any option previously granted except as permitted by the adjustment provisions of the Share Compensation Plan;
- (b) be in accordance with the Manual and be subject to any regulatory approvals including, where required, the approval of the TSX-V; and
- (c) be subject to Shareholder approval, where required, by law or the requirements of the TSX-V, provided that Shareholder approval shall not be required for the following amendments:
 - (i) amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plans or a RSU or option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Share Compensation Plans or a RSU or option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) amendments that are necessary for RSUs or options to qualify for favourable treatment under applicable tax laws;
 - (iii) a change to the vesting provisions of any RSU or any option (including any alteration, extension or acceleration thereof) or the Share Compensation Plans;
 - (iv) a change to the termination provisions of any option (for example, relating to termination of employment, resignation, contract, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period);
 - (v) the introduction of features to the Share Compensation Plans that would permit the Company to, instead of issuing shares from treasury upon the vesting of the RSUs, retain a broker and make payments for the

benefit of participants under the Share Compensation Plan to such broker who would purchase shares through the facilities of the TSX-V for such persons;

- (vi) where amendments are required to comply with listing on a foreign exchange;
 - (vii) subject to compliance with TSX-V requirements, reduce the exercise price of any option (including any cancellation of an option for the purpose of reissuance of a new option at a lower exercise price to the same person); and
 - (viii) change the application of adjustment and change of control sections.
- (d) For greater certainty:
- (i) Shareholder approval will be required in circumstances where an amendment to the Share Compensation Plans would:
 - 1. increase the maximum number of shares issuable under the Share Compensation Plans, other than by virtue of the adjustment provisions in the Share Compensation Plans, or change from a fixed maximum percentage number of shares to a fixed maximum of issued and outstanding shares;
 - 2. amend the fixed limit on the number of Bonus Shares that can be issued for the term of a Share Compensation Plan;
 - 3. permit RSUs or options to be transferable or assignable other than for normal estate settlement purposes;
 - 4. extend the term of any option beyond the original term (except if such period is being extended by virtue of a blackout period);
 - 5. amend the method for determining the exercise price of options;
 - 6. increase the certain limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”;
 - 7. amend the expiry and termination provisions applicable to RSUs, options, a SPS or SBS; or
 - 8. amend the number of shares reserved for issuance pursuant to the SPS;
 - 9. amend limit that the Corporation can contribute to a participant under the SPS; or
 - 10. amend the amendment provisions in the Share Compensation Plans.
 - (ii) Disinterested Shareholder approval will be required in circumstances where an amendment to the Share Compensation Plans would:
 - 1. reduce the exercise price of any Option granted under the Share Compensation Plans if the person is an Insider of the Company at the time of the proposed amendment; or
 - 2. increase the certain limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”.
- (e) If the Share Compensation Plans are approved by Shareholders at the Meeting, the Share Compensation Plans in its current form will cease to operate, and any outstanding options will be rolled into and governed by the new Share Compensation Plans. The above description of the Share Compensation Plans is written on the assumption that the Share Compensation Plan, as presented to Shareholders, are approved at the Meeting. Copies of the Share Compensation Plans will be available at the Meeting and will be mailed to any Shareholder free of charge by contacting the Company. See “*Additional Information*”.

Proposed Resolutions

The ordinary resolution (the “**Share Compensation Plan Resolution**”), substantially in the form below, must be passed by at least a majority of the votes cast at the Meeting in person or by proxy.

BE IT RESOLVED THAT:

- 1. the Share Compensation Plans of the Company as described in the Information Circular dated July 31, 2015 is hereby approved, subject to the Company obtaining all required approvals from the TSX-V and any other regulatory authorities; and
- 2. the outstanding options of the Company shall be rolled into and governed by the Share Compensation Plans;

3. any unallocated entitlements under the Share Compensation Plans are approved and the Company is authorized to grant entitlements under the Share Compensation Plan until the Company's next annual general meeting of Shareholders; and
4. any director or officer of the Company is hereby authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.

Directors' Recommendation

The Board has unanimously approved the Share Compensations Plans and recommends to Shareholders of the Company that they vote FOR the Share Compensation Plans.

The Chairman of the Meeting intends to vote in favour of the respective resolution where there are no directions indicated on the proxy form.

EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a "Named Executive Officer" or "NEO" means each of the following individuals:

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the Company's 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 CAD\$150,000 as determined in accordance with subsection 1.3(6) of National Instrument Form 51-102F6 ("**Form 51-102F6**"); and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company including any of its subsidiaries, nor acting in a similar capacity at March 31, 2015.

The following were NEOs for the year ended March 31, 2015:

- Alan Phillips, President and CEO
- David Taplin, CFO, General Counsel and Company Secretary
- Alan Joseph ("**Joe**") Phillips, Chief Operating Officer ("**COO**")

Since the year ended March 31, 2015:

- Alan Phillips resigned as President and CEO of the Company on April 28, 2015 and remains an executive director;
- Joe Phillips was appointed CEO and executive director of the Company April 28, 2015; and
- David Taplin was appointed as executive director of the Company on April 28, 2015.

1. COMPENSATION DISCUSSION AND ANALYSIS

a. Compensation discussion and analysis

Objectives of Compensation

The general objectives of the Company's compensation strategy are to:

- (a) compensate in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term Shareholder value;
- (b) align Management's interests with the long-term interests of Shareholders;
- (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and
- (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

Compensation is designed to reward

The Remuneration and Nomination Committee (“**R & N Committee**”) ensures that total compensation paid to all NEOs is fair and reasonable. Compensation is designed to reward NEOs’ contribution to the Company and achievement of meaningful outcomes that create value and move the Company forward. Total compensation for each executive officer currently varies with the Company’s performance in achieving non-financial objectives (in the form of cash restricted unit milestones), and with individual performance.

Elements of Compensation

Compensation for NEOs is comprised of cash, in the form of base salary, short term incentive awards, in the form of cash restricted share units (“**CRSUs**”), and long term incentive awards in the form of options.

At the 2012 AGM Shareholders approved an Employee Share Compensation Plan and a Consultant Share Compensation Plan (collectively “**Share Compensation Plan**”) both of which form the basis of the provision of long-term incentives for the Company. The Share Compensation Plans in their updated form, are being presented for approval at this AGM. The Company also has a Cash Restricted Share Unit Plan for the CEO, COO and CFO/Company Secretary which provides short-term incentives for these executives.

Element of Compensation	Description
Base Salary	Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his/her responsibilities to the best of his/her ability and in the best interests of the Company.
Option-based awards	The Company’s Share Compensation Plan has been used to provide options which are granted in consideration of the level of responsibility of the NEO as well as his/her impact or contribution to the longer-term operating performance of the Company.
Restricted Share Units	Restricted Share Units (“ RSUs ”) provide the holder with notional units that represent a right to receive a set amount of shares when certain vesting conditions are met. RSUs are units that rise and fall in value based on the value of the Company’s shares. Unlike options, RSUs do not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one common share.
Share Purchase Scheme	The Share Purchase Scheme is a non-performance based scheme which gives participants the opportunity to purchase shares by making contributions from their salary and a part contribution by the Company.
Share Bonus Scheme	The Share Bonus Scheme gives the Company authority to allot, issue and distribute an aggregate total of common shares in each calendar year, to any employees whom the Board, in their sole and absolute discretion, deem to have provided extraordinary contributions to the advancement of the Company, as a discretionary bonus.
Cash Restricted Share Units	The Company’s Cash Restricted Share Unit Plan (“ CRSU Plan ”) has been used to provide CRSUs which are granted in consideration of the level of responsibility of the participants as well as his/her impact or contribution to the longer-term operating performance of the Company.

Further detail on the mechanics of each of the above elements of compensation is set out under “*Share-based and option-based awards*” below. The Company does not have any form of retirement or pension plan. The R & N Committee has the discretion to recommend payment of cash bonuses for the executive officers to the Board however there is no formal bonus plan or other formal arrangements pursuant to which bonuses may be earned.

Determining Compensation

When determining the compensation the R & N Committee considers:

- (a) recruiting and retaining people who are critical to the success of the Company and the enhancement of Shareholder value;
- (b) providing fair and competitive compensation;
- (c) balancing the interests of NEOs and the Shareholders; and
- (d) rewarding performance, both on an individual basis and with respect to operations in general.

The Company's process for determining executive compensation is done on a case by case basis and involves discussion by the R & N Committee of the factors relevant to each case. The R & N Committee has authority to retain independent advisors to assist in determining current market conditions and rates and considers the compensation paid for directors, CEOs, CFOs and other NEOs of companies of similar size and stage of development in the mineral exploration/mining industry. In 2012 an independent remuneration consultant was engaged to assist in reviewing the Company's remuneration strategy and developing an appropriate balance between base salary and incentives.

The R & N Committee endeavours to balance the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company.

Performance Goals

The Company considers the granting of performance based incentives to be a significant component of CEO, COO and CFO/Company Secretary compensation as it allows the Company to reward the achievement of milestones that increase value for Shareholders. As part of the CRSU Plan the R & N Committee recommends to the Board the payment of CRSUs. Currently, there are no CRSUs on issue.

The R & N Committee reviews the CEO, COO and CFO/Company Secretary's performance in light of the Company's objectives and considers other factors that may have impacted the success of those executives in achieving its objectives. For further detail on the payment following achievement of these milestones refer to "*Share-based and option-based awards*" below.

Benchmarking

There are no formally defined objectives, benchmark criteria or analysis that are used in all cases of determining executive compensation. Executive compensation is benchmarked against data obtained from recruitment consultants for the relevant positions for companies of similar size in the Australian mining and exploration industries.

Implications of Risks

The R & N Committee does not formally consider the implications of the risks associated with the Company's compensation policies and practices. The Company has however established a risk management framework which is currently being adopted. Throughout that framework, risks associated with the Company's compensation policies and practices will be considered.

Purchase of Financial Instruments

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.

b. Share-based and option-based awards

The Company currently has two incentive plans, the Share Compensation Plan (which comprises Employee Share Compensation Plan and the Consultant Share Compensation Plan) and the CRSU Plan. The maximum aggregate number of shares that may be reserved for issuance under the Share Compensation Plan is 10% of the issued shares of the Company at the time of grant.

The Share Compensation Plan in their updated form, are being presented for approval at this AGM. The disclosure below outlines the Share Compensation Plan in their current form.

Share Compensation Plan

The Share Compensation Plan, sets out the methodology for the award of RSUs, the grant of options, a share purchase scheme (the "SPS") and a share bonus scheme (the "SBS"). The purpose of the Share Compensation Plan is to advance the interests of the Company, and its Shareholders by: (i) ensuring that the interests of employees and consultants are aligned with the success of the Company; (ii) encouraging share ownership by employees, directors and officers; and (iii) providing compensation opportunities to attract, retain and motivate employees.

The Company has divided the incentive compensation regime into two plans, one which provides for full or part-time employees and directors in order to rely on ASIC Class Order 03/184 (the “**Class Order**”) and another for consultants who may be deemed to be within the exemptions under section 708 the Corporations Act.

The Company issued options under the Consultant Share Compensations Plan to NEOs and directors as set out in “*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*” below.

Administration of the Share Compensation Plan

The Share Compensation Plan is ultimately administered by the Board. Through the recommendation of the R & N Committee the Board decides whether RSUs, options, SBS and SPS will be used to incentivize employees, directors and officers. In accordance with applicable securities laws and stock exchange requirements, from time to time the Board determines:

- (a) the eligibility of persons to participate in the Share Compensation Plan,
- (b) when RSUs, options and shares under the SBS (“**Bonus Shares**”) will be awarded or granted,
- (c) the number of RSUs, options and Bonus Shares to be awarded or granted,
- (d) the vesting criteria for each award of RSUs and grant of options and all other terms and conditions of each award and grant, and
- (e) the amount that participants and the Company may contribute under the SPS and whether such contributions shall be used to subscribe for shares from treasury or purchase shares from the market.

Number of Shares Available for Issuance under the Share Compensation Plan

The number of shares available for issuance from the treasury under the Employee Share Compensation Plan must not at any time exceed 5% of the shares then issued and outstanding, and the number of shares available for issuance from the treasury under the Consultant Share Compensation Plan and any other share compensation arrangement of the Company must not at any time exceed 10% of the shares then issued and outstanding. These limits do not apply to shares purchased from the market under the SPS.

Options

Options provide the holder the right to buy a certain number of shares in the Company at a predetermined price, for a defined period with or without vesting conditions in accordance with TSX rules. Each option granted entitles the holder thereof to the issuance of one share upon achievement of the vesting criteria and payment of the applicable exercise price.

The R & N Committee determines to whom options are issued, how many options are issued and the exercise price.

Restricted Share Units (“RSUs”)

RSUs provide the holder with notional units that represent a right to receive a set amount of shares when certain vesting conditions are met.

RSUs are units that rise and fall in value based on the value of the Company’s shares. Unlike options, RSUs do not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one common share.

The R & N Committee recommends to the Board to whom RSUs should be granted, how many are granted to each participant and the vesting conditions. Vesting conditions may be goal or time based. The Company issues shares to participants upon achievement of vesting conditions and, after a 4 month hold, they would be tradable on the TSX by the participant.

Share Purchase Scheme (“SPS”)

The SPS gives participants the opportunity to purchase shares by making contributions from their salary and a part contribution by the Company.

There are two alternatives to issue incentives under the SPS, a Purchase Scheme Treasury Option and a Purchase Scheme Market Option.

Under the share purchase scheme treasury option (the “**Purchase Scheme Treasury Option**”) each of the participant’s contribution and the Company’s contribution are aggregated (“**Aggregate Contribution**”) and common shares are issued from treasury for the account of each participant. The number of common shares that are issued for the account of each participant is based on their Aggregate Contribution multiplied by the weighted average trading price of the common shares on the TSX for the last five trading days prior to such day.

Under the purchase scheme market option (the “**Purchase Scheme Market Option**”) the Aggregate Contribution is paid into a trust (the “**Purchase Scheme Trust**”) and the Purchase Scheme Trust uses the Aggregate Contribution to purchase common shares on the open market. The Company would appoint a Trustee (which will be an accredited institution), for the purpose of depositing contribution moneys from a participant for the purpose of participation under the Purchase Scheme Trust.

At the commencement of every calendar quarter, the Board determines whether Aggregate Contributions in respect of a participant shall be used to: (a) purchase shares to be issued from treasury under the Purchase Scheme Treasury Option; or (b) purchase shares through the facilities of the TSX (or such other stock exchanges as the Company may designate from time to time) under the Purchase Scheme Market Option, for the next following calendar quarter; provided that, if the Administrators do not make such a determination in respect of any calendar quarter, participants shall continue to participate in the SPS in the next following calendar quarter on the same terms and in the same manner as in the preceding calendar quarter.

On implementation of the SPS, as determined by the Board, participants are initially invited to participate in the Purchase Scheme Treasury Option until such determination is changed by the Board. Each participant is advised in writing of his or her participation in the Purchase Scheme Treasury Option or the Purchase Scheme Market Option and is advised of any changes in such participant’s participation under the SPS.

The Purchase Scheme Market Option is a useful incentive because its operation does not come under the 10% cap so it can be used if the total amount of the cap has been utilised.

Share Bonus Scheme (“SBS”)

The SBS gives the Company authority to allot, issue and distribute an aggregate total of common shares in each calendar year (the “**Bonus Shares**”), to any employees, directors or officers whom the Board, in their sole and absolute discretion deem to have provided extraordinary contributions to the advancement of the Company, as a discretionary bonus.

Bonus Shares are issued at a deemed price determined by the Board at the time of issuance of such Bonus Shares, but such price cannot be less than the daily closing price per common share on the TSX on the trading day immediately preceding the day on which the Bonus Shares are issued.

Currently, only options have been issued under the Share Compensation Plan.

Cash Restricted Share Unit Plan

The Company’s CRSU Plan has been used to provide CRSUs which are granted in consideration of the level of responsibility of the NEO as well as his/her impact or contribution to the longer-term operating performance of the Company. In determining the number of CRSUs to be granted to the NEOs, the R & N Committee takes into account the number of CRSUs, if any, previously granted to each NEO, and ensures the interests of the NEOs and the interests of Shareholders are closely aligned. CRSUs are not a share based or option based incentives.

The key provisions of the CRSU Plan are summarized as follows:

- The Board is responsible for the general administration of the CRSU Plan, through the recommendation of the R & N Committee of the Board. Subject to any limitations, the Board has the power to:
 - (a) adopt rules and regulations for implementing the CRSU Plan;
 - (b) determine the eligibility of persons to participate in the CRSU Plan, when CRSUs to eligible persons shall be awarded, the number of CRSUs to be awarded and the vesting criteria for each award of CRSUs;
 - (c) determine the forms of restricted share unit confirmation and restricted share unit agreement for each CRSU;
 - (d) interpret and construe the provisions of the CRSU Plan;
 - (e) subject to regulatory requirements, make exceptions to the CRSU Plan in circumstances which they determine to be exceptional; and
 - (f) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the CRSU Plan.

- The Board shall determine to whom CRSUs will be awarded, the number of CRSUs to be awarded and credited to each participant's account, the award date and, the applicable vesting criteria. Upon the award of CRSUs, the number of CRSUs awarded to a participant shall be credited to the participant's account effective as of the award date. At the time of the award of CRSU, the Board shall determine in their sole discretion the vesting criteria applicable to the awarded CRSU.
- For greater certainty, the vesting of CRSUs may be determined by the Board to include criteria such as performance vesting, in which the payout amount to be paid to a participant for each CRSU that vests, may fluctuate based upon the Company's performance and/or the market price of the common shares, in such manner as determined by the Board in their sole discretion. No value is attributable to CRSUs until they vest.
- CRSUs' cash payment amounts are based on the market value of a common share in the Company on the date that the CRSU vests. Market value is calculated as the average of the daily volume weighted closing price of a common share of the Company on the TSX for the 20 trading days prior to the vesting date.
- Notwithstanding any other provision of the CRSU Plan, all unvested CRSUs shall immediately vest upon the occurrence of a Change of Control (as defined in the CRSU Plan). Upon the occurrence of a Change of Control the payout amount in respect of a participant's CRSUs shall be calculated and paid in cash to the participant on the date of the Change of Control.
- If an Event of Termination (as defined in the CRSU Plan) has occurred prior to the vesting date:
 - (a) by the Company, for just cause; or
 - (b) by the participant voluntarily resigning from their position with the Company,all rights of the participant in CRSUs granted to the participant shall be immediately null and void as of the date the notice of termination is given or the effective date of the resignation, as applicable.

Currently there are no CRSU's issued under the CRSU Plan.

c. Compensation Governance

Policies and Practices

The Company does not have formal policies that govern how compensation for directors and NEOs is determined. In practice, the R & N Committee worked with Management, in consultation with external remuneration experts and reviews industry remuneration reports to determine an appropriate balance of compensation elements for directors and NEOs.

Remuneration and Nomination Committee

During the year ended March, 31 2015, the Company had an R & N Committee which assists the board of directors in determining all forms of compensation, for the NEOs, other key employees and directors of the Company. The R & N Committee is comprised of Jeffrey Wall (Chair), John Toigo and Richard Patricio (all are independent directors) who all have had direct experience with executive compensation, including experience determining compensation for executive experience while with other companies. The R & N Committee Charter sets out what the committee takes into account when determining compensation.

The R & N Committee is responsible for all matters relating to:

- (a) general compensation goals and guidelines and the criteria by which compensation awards are determined;
- (b) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder to be approved by Shareholders;
- (c) reviewing recommendations about compensation to ensure such arrangements reflect the responsibilities and risks associated with each position; and
- (d) other plans that are proposed for adoption or adopted by the Company for the provision of compensation.

The R & N Committee relies on the experience of its members as officers and directors with other junior mining companies in the Australian iron ore industry when assessing compensation levels. The R & N Committee regularly reports to the Board. The R & N Committee has the responsibility to administer the incentive plans related to the executive management of the Company, including the Share Compensation Plan and CRSU Plan.

Advisors and Consultants

The Company did not engage with any independent remuneration advisors during the financial year ended March 31, 2015.

The R & N Committee has the authority to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties. For greater certainty, the Committee has sole authority to retain and

terminate any consulting firm to be used to evaluate the Chief Executive Officer or the remuneration of the Chief Executive Officer or any other officers or senior management personnel.

Since the resignation of directors who were members of the R & N Committee on April 28, 2015, the Company's R & N Committee has not been reconstituted. Following the Company's listing on the TSX-V and owing to the size of its operations, until an R & N Committee is reconstituted, the Board will deal with R & N Committee matters.

2. SUMMARY COMPENSATION TABLE

a. Tabular Disclosure

The following table (presented in accordance with National Instrument 51-102F6) sets forth all direct and indirect compensation provided to the Company's NEOs, for the financial years ended March 31, 2013, 2014 and 2015. All dollar amounts are Australian dollars unless otherwise indicated.

	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			
Alan Phillips Chairman, President & CEO	2013	324,996	-	-	-	-	-	9,468 ⁽²⁾	334,464
	2014	324,996	-	28,447	-	-	-	-	353,443
	2015	316,663	-	1,943	-	-	-	-	318,606
David Taplin CFO, General Counsel & Company Secretary	2013	255,000	-	-	-	-	-	4,952 ⁽²⁾	259,952
	2014	255,000	-	28,447	-	-	-	-	283,447
	2015	255,000	-	1,943	-	-	-	-	256,943
Joe Phillips COO	2013	267,504	-	-	-	-	-	5,195 ⁽²⁾	272,699
	2014	267,504	-	28,447	-	-	-	-	295,951
	2015	267,504	-	1,943	-	-	-	-	269,447

Note:

- The amounts shown in this category are the "fair values" as determined at the date of grant using the Black-Scholes option pricing model ("BSOPM"), and are the same values as used by the Company in determining stock-based compensation for accounting purposes. The use of values determined using the BSOPM is accepted by the Canadian Securities Administrators and the Canadian Institute of Chartered Accountants, and under the circumstances the Board has accepted this basis of valuation. The BSOPM calculates the fair value by taking into account the exercise price, the share price at grant date, the expected life, the volatility of the stock, anticipated dividend rates, risk free rate and estimated forfeitures.
- On September 14, 2012, 60,118 CRSUs vested and a corresponding cash payment was made. CRSUs' cash payment amounts were based on CAD\$0.332495 which was the market value of a common share in the Company on September 14, 2012 being the date that the CRSUs vested. The market value was calculated as the average of the daily volume weighted closing price of a common share of the Company on the TSX for the 20 trading days prior to the vesting date.

b. Narrative Discussion

The NEOs are each engaged by a separate entity which has entered into a consulting contract with the Company. The key terms of each contract are:

- each contract's term is open ended;
- the Company must provide 12 months' notice for termination without cause. NEOs must provide six months' notice. The consulting contracts may be terminated by either party by mutual agreement;
- should the Company terminate the contract without due cause, the Executive is entitled to a termination payment equal to the aggregate consulting fee that would be payable to the Executive in lieu of 12 months' notice; and
- the Board may at its discretion agree to pay an additional fee to any or all of the above NEOs, should they perform services in excess of the required contracted hours.

NEOs were granted options during the year end March 31, 2015, information on those options are detailed below.

Since March 31, 2015, the NEO's consulting agreements with the Company were amended with effect from April 28, 2015. The key amendments are listed in the table below.

<i>Amendment</i>	<i>Alan Phillips Consultancy Agreement</i>	<i>Joe Phillips Consultancy Agreement</i>	<i>David Taplin Consultancy Agreement</i>
Position amendments	Amended to reflect resignation as CEO and President and remaining as an executive.	Amended to reflect appointment as CEO.	Amended to state that David is also General Counsel, a position he has held since 2011.
Temporary reduction of consultancy fees for 6 months from 1 April 2015 until 30 September 2015 (“ Temporary Period ”)	Reduction of \$10,416.33 per month	Reduction of \$5,625.33 per month	Reduction of \$4,583.33 per month
	NEO will receive a consulting fee of \$16,666.67 per month (“ Temporary Consulting Fee ”).		
End of Temporary Period	Consultancy fee will return to previous consultancy fee. Difference between the Temporary Consulting Fee and the previous consulting fee during the Temporary Period will be payable to the NEO.		
Share based compensation in accordance with the Consultant Share Compensation Plan	NEO will be awarded share based compensation of not less than 1.5% of the total common shares issued and outstanding in the Company,		

3. INCENTIVE PLAN AWARDS

a. *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all awards outstanding under the Consultant Share Compensation Plan at March 31, 2015, including awards granted before the most recently completed financial year, to each of the NEOs.

<i>Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>		
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price CAD(\$)</i>	<i>Option Expiration Date (mm/dd/yyyy)</i>	<i>Value of Unexercised In-The-Money Options CAD(\$)</i>	<i>Number of Shares or Units of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (\$)</i>	<i>Market or Payout Value of Vested Share-Based Awards Not paid Out of Distributed (\$)</i>
Alan Phillips Chairman, President & CEO	Nil	Nil	Nil	Nil	N/A	N/A	N/A
David Taplin CFO & Company Secretary	Nil	Nil	Nil	Nil	N/A	N/A	N/A
Joe Phillips COO	Nil	Nil	Nil	Nil	N/A	N/A	N/A

During the year end March 31, 2015, the NEOs were issued a total of 800,000 options on December 2, 2014. On March 31, 2015 the NEOs voluntarily forfeited all their options.

b. *Incentive Plan Awards – Value Vested Or Earned During The Year*

The following table sets forth for the NEOs, the value vested during the financial year ended on March 31, 2015 for options awarded under the Share Compensation Plan, as well as the value earned under non-equity incentive plans for the same period.

<i>Name</i>	<i>Option-based awards - Value vested during the year (\$)</i>	<i>Share-based awards - Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation - Value earned during the year (\$)</i>
Alan Phillips Chairman, President & CEO	Nil	N/A	Nil
David Taplin CFO & Company Secretary	Nil	N/A	Nil
Joe Phillips COO	Nil	N/A	Nil

All incentive options held by the NEOs vested upon granting.

c. Narrative Discussion

Refer to “Share-based and option-based awards” above.

4. PENSION PLAN BENEFITS

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

5. TERMINATION AND CHANGE OF CONTROL BENEFITS

There are change of control provisions in the Share Compensation Plan and the CRSU Plan which would apply to any incentives issued. Any issued unvested, options, RSUs or CRSUs vest on a change of control and subject to TSX acceptance, appropriate adjustments with respect to options, RSUs or CRSUs and in the number of common shares that are available for options or RSUs under the Plans may be made to give effect to any change in the number of shares of the Company resulting from a change of control or change in capital.

In addition to the terms set out under the discussion under the ‘*Summary Compensation Table*’ above, if a change of control occurs and there is a material alteration in the services which were being provided by the NEO to the Company prior to the change of control (“**Changed Services**”) and performance of the Changed Services is inconsistent with the position, the NEOs may elect to cease providing the Services and be paid for the notice period, being twelve months from the date of the Changed Services.

If a change of control event occurred on March 31, 2015 the following payments would be made to the NEOs:

- Alan Phillips, CEO, \$324,996
- David Taplin, CFO, General Counsel and Company Secretary, \$255,000
- Joe Phillips, COO, \$267,504

6. DIRECTOR COMPENSATION

a. Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company’s most recently completed financial year. All dollar amounts are in Australian dollars unless indicated otherwise. All the directors named below resigned as directors on April 28, 2015.

<i>Director Name</i> ⁽¹⁾⁽²⁾	<i>Fees Earned</i> ⁽⁴⁾ (<i>\$</i>)	<i>Share-Based Awards</i> (<i>\$</i>)	<i>Option-Based Awards</i> (<i>\$</i>)	<i>Non-Equity Incentive Plan Compensation</i> (<i>\$</i>)	<i>Pension Value</i> (<i>\$</i>)	<i>All Other Compensation</i> (<i>\$</i>)	<i>Total</i> (<i>\$</i>)
John Toigo (independent director)	57,500	-	-	-	-	-	57,500
Jon Starink (director)	81,435 ⁽³⁾	-	486	-	-	-	81,921
Jeffrey Wall, CBE (independent director)	57,500	-	-	-	-	-	57,500
Richard Patricio (independent director)	57,500	-	486	-	-	-	57,986

Notes:

1. Relevant disclosure has been provided in the Summary Compensation Table above, for directors who receive compensation for their services as a director who are also NEOs.
2. All of the named directors resigned as directors on April 28, 2015.
3. Jon Starink was paid \$23,935 for consulting services to the Company in September to December 2014.
4. The directors agreed to a 50% reduction on directors' fees for the month of March 2015.

b. Narrative Discussion

The Company has an engagement letter with each director pursuant to which the directors are compensated a set annual fee of \$60,000 for their services as directors, for committee participation, committee chairmanships, and certain additional responsibilities during the most recently completed financial year. The Company currently does not pay any additional amounts for participation in board committees.

Although currently the Company does not have any alternate directors, in accordance to subsection 19.2 (f) of the Company's Constitution, an alternate director is entitled to be paid the remuneration which the directors think fit, either in addition to, or in reduction of, the remuneration payable to the director for whom the alternate director acts as alternate. Should the fee be in addition to the remuneration payable to the director, it will be within the director's fee pool approved by Shareholders.

c. Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at March 31, 2015, including awards granted before the most recently completed financial year, to each of the directors who are not NEOs:

<i>Director Name</i> ⁽¹⁾	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>		
	<i>Number of Securities Underlying Unexercised Options</i> (#)	<i>Option Exercise Price</i> CAD(\$)	<i>Option Expiration Date</i> (mm/dd/yyyy)	<i>Value of Unexercised In-The-Money Options</i> ⁽¹⁾ CAD(\$)	<i>Number of Shares Or Units Of Shares That Have Not Vested</i> (#)	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested</i> (<i>\$</i>)	<i>Market or Payout Value of Vested Share-Based Awards Not paid Out of Distributed</i> (<i>\$</i>)
John Toigo (independent director)	Nil	Nil	Nil	Nil	N/A	N/A	N/A
Jon Starink (director)	Nil	Nil	Nil	Nil	N/A	N/A	N/A
Jeffrey Wall, CBE (independent director)	Nil	Nil	Nil	Nil	N/A	N/A	N/A
Richard Patricio (independent director)	Nil	Nil	Nil	Nil	N/A	N/A	N/A

Notes:

1. All of the named directors resigned as directors on April 28, 2015.

During the year end March 31, 2015, the directors who were not NEOs were issued 100,000 options on December 2, 2014 and on 11 March, 2015 the directors of the Company voluntarily forfeited all their options.

d. Incentive Plan Awards – Value Vested Or Earned During The Year

All incentive options held by the directors vested upon granting.

<i>Director Name⁽¹⁾</i>	<i>Option-Based Awards - Value Vested During The Year (\$)</i>	<i>Share-Based Awards - Value Vested During The Year (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
John Toigo	Nil	N/A	N/A
Jon Starink	Nil	N/A	N/A
Jeffrey Wall, CBE	Nil	N/A	N/A
Richard Patricio	Nil	N/A	N/A

Notes:

- All of the named directors resigned as directors on April 28, 2015.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as at March 31, 2015:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights CAD (\$)	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 Shareholders	2,175,000	0.27	3,427,063
Equity Compensation Plans Not Approved By Shareholders	-	-	-
Total:	2,175,000	0.27	3,427,063

A description of the significant terms of the Company's Share Compensation Plan is found above under the heading 'Share-based and option-based awards'.

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As at March 31, 2015 no individual who is, or at any time during the most recently completed financial year was, a current or former director, executive officer or employee of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- 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 Company or its subsidiaries, entered into in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any Shareholder beneficially owning, directly or indirectly, common shares of the Company, or exercising control or direction over common shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company, nor any proposed director of the Company nor an associate or affiliate of any of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

The Company's Canadian auditor is Davidson & Company, LLP, who was re-appointed by Shareholders in 2012.

The Company is required to have an Australian auditor in accordance with the Corporations Act. The Company's Australian auditor is currently Hayes Knight, who has acted for the Company since 2014.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

National Policy 58-201 – Corporate Governance Guidelines (“**NI 58-201**”) establishes corporate governance guidelines which apply to all Canadian listed companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 requires disclosure of the Company's corporate governance practices based on NI58-201F2 which are set out below.

Independence of Members of Board

The Company's Board consists of five directors, the majority of whom are not independent. Messrs Earl Evans and Cameron McCall are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit Committees. Messrs Alan Phillips, Joe Phillips and David Taplin are not independent as they are executives of the Company. The Board looks to Mr. Cameron McCall as lead independent director to provide leadership for the independent directors. When faced with a decision that requires independent judgement following division by all directors, the two independent directors are charged with the responsibility of making the final decision.

Management Supervision by Board

The executive directors report upon the operations of the Company separately to the independent directors of the Board at such times throughout the year as is considered necessary or advisable by the independent directors. Independent supervision of Management is accomplished by selecting Management personnel who demonstrate a high level of integrity and ability as well as having non-executive and independent Board members. The independent directors are encouraged to meet at any time they consider necessary without members of management (including the non-independent directors) being present. Such meetings are not held on a regularly scheduled basis. The Company's auditors, legal counsel and employees may be invited to attend. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

Board Mandate (Charter)

The Board has a charter which delineates its role and the responsibilities of the Audit and R & N Committees. The Board also relies on the various areas of expertise of each of the directors to guide its decision making. A copy of the Board Charter is available on the Company's website, www.macarthurminerals.com

Participation of Directors in Other Reporting Issuers

None of the directors hold directorships of other listed companies.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. the Company's Constitution and policies;
2. information outlining the functioning of the Board, committees and copies of the Company's corporate governance policies;
3. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
4. access to management, technical experts and consultants; and
5. a summary of significant corporate and securities responsibilities.

Board members are encouraged and assisted to communicate with Management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records through an electronic Board Portal.

Ethical Business Conduct

The Board views good corporate governance as both an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has instructed Management and employees to adopt and abide by values consistent with ethical business conduct, which is evidenced in the Company's Code of Conduct. A copy of the Code of Conduct is available on SEDAR and the Company's website (www.macarthurminerals.com). The Board monitors compliance with the Code of Conduct through the Whistleblower Policy (which is also available of the Company's website). In addition, the Board, through discussions with Management, monitors its compliance with the Code of Conduct and encourages a culture of ethical business conduct. Management promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard.

In order to avoid the potential for disclosure or the perception or appearance of disclosure of confidential inside information, the Company observes quiet periods as well as a blackout period during which informed persons are prohibited from discussing non-public material information or trading in securities of the Company.

To ensure that there is an objective process for making decisions in circumstances where a decision that requires independent judgement, following division by all directors, the two independent directors are charged with the responsibility of making the final decision.

Directors and executives who have an interest in a transaction or agreement with the Company must promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect to same if the interest is material. The Company maintains a register of directors' and executive's interests.

Nomination of Directors

Since the resignation of directors who were members of the R & N Committee on April 28, 2015, the Company's R & N Committee has not been reconstituted. Following the Company's listing on the TSX-V and owing to the size of its operations, until an R & N Committee is reconstituted, the Board will deal with nomination matters. The R & N Committee Charter is available on the Company's website, www.macarthurminerals.com.

Compensation of Directors, CEO, COO and CFO and Company Secretary

Since the resignation of directors who were members of the R & N Committee on April 28, 2015, the Company's R & N Committee has not been reconstituted. Following the Company's listing on the TSX-V and owing to the size of its operations, until an R & N Committee is reconstituted, the Board will deal with compensation matters, through the guidance of the independent directors.

Refer to "*Executive Compensation*" above for more information on the compensation of Directors and NEOs.

Board Committees

The Audit Committee is the only committee of the Board at this time. As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has

determined that additional committees are not necessary at this stage of the Company's development. A copy of the Audit and R & N Committee Charters are available on the Company's website, www.macarthurminerals.com.

Information required under National Instrument 52-110F1 – Audit Committees, regarding the Audit Committee is included in the Company's Annual Information Form filed on SEDAR and available on the Company's website, www.macarthurminerals.com.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. To assist in its review, the Board conducts informal surveys of its directors on their assessment of the functioning of the Board and reports from each committee in respect to its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting in accordance with the Corporations Act, it is the intention of the Chairman to vote the shares represented by any proxies issued in the Chairman's favour in accordance with his best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com or on the Company website, www.macarthurminerals.com. Shareholders may contact the Company to request copies of the Company's financial statements and Management Discussion & Analysis ("MD&A") via telephone on (07) 3221 1796 or international telephone +61 7 3221 1796 during Australian business hours, by facsimile to the Company on (07) 3221 6152 or +617 3221 6152 (if from overseas), email: communications@macarthurminerals.com or at Level 20, 10 Eagle Street, Brisbane, Queensland 4000, Australia.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, both of which are filed on SEDAR.

DATED this 31st day of July, 2015.

BY ORDER OF THE BOARD OF DIRECTORS OF MACARTHUR MINERALS LIMITED

"David Taplin"

David Taplin

Company Secretary

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR



**North America Toll Free
1-877-452-7184**

**Collect Calls Outside North America
416-304-0211**

Email: assistance@laurelhill.com