

NORTHERN VERTEX MINING CORP.

Suite 1820, 1055 West Hastings Street
Vancouver, British Columbia V6E 2E9

MANAGEMENT PROXY CIRCULAR

(as at November 25, 2014 unless otherwise specified)

SOLICITATION OF PROXIES

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of **NORTHERN VERTEX MINING CORP.** (the “Company”) for use at the Annual Meeting of shareholders of the Company (and any adjournment thereof) (the “Meeting”) to be held on Tuesday, December 30, 2014 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the officers and directors of the Company at nominal cost, or by outside parties. All costs of solicitation by management will be borne by the Company.

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

“Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

The Company has arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held on the date of record by those intermediaries and the Company may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

VOTING BY PROXYHOLDER

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure the proxy is received by Computershare at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof.

BENEFICIAL SHAREHOLDERS

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the U.S. the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "*Non-Objecting Beneficial Owners*").

The Company is taking advantage of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from the Company's transfer agent, Computershare. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described on the VIF. Computershare tabulates the results of the voting on the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by those VIFs.

These securityholder materials are sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("Broadridge") in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge's instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

REVOCATION OF PROXIES

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

| | |
|-------------------------|---|
| Authorized Capital: | unlimited number of common shares without par value |
| Issued and Outstanding: | 72,941,446 common shares without par value ⁽¹⁾ |

⁽¹⁾ As at November 25, 2014

Only shareholders of record at the close of business on November 25, 2014 (the "Record Date") who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

On a show of hands, every individual who is present as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders will have one vote for each common share registered in his or her name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, common shares carrying 10% or more of the voting rights attached to all outstanding common shares of the Company as at November 25, 2014. This information was supplied to the Company by the shareholders and from the insider reports available at www.sedi.ca.

APPOINTMENT OF AUDITORS

The persons named in the accompanying proxy intend to vote for the appointment of MNP LLP, Chartered Accountants, as auditor of the Company and to authorize the directors to fix their remuneration. MNP was first appointed auditor of the Company on June 7, 2007.

ELECTION OF DIRECTORS

The Board of Directors of the Company (the "Board") presently consists of six (6) directors and the Board intends to determine that the number of directors remain at six (6) and to elect six (6) directors for the ensuing year.

The term of office of each of the present directors expires at the conclusion of the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA") or the Articles of the Company.

The following table states the name of each person proposed to be nominated by management for election as a director, the jurisdiction in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him or over which he exercises control or direction, directly or indirectly, as at the Record Date.

| Name of Nominee, Province or State, Country of Residence, Position(s) with the Company ⁽¹⁾ | Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years ⁽¹⁾ | Period as a Director of the Company | Number of Common Shares ⁽¹⁾ |
|---|--|--|---|
| Joseph Bardswich ⁽²⁾ Arizona, USA <i>General Manager, Moss Project and Director</i> | Director of Theia Resources Ltd. Mine Manager for Drumlummon Gold Mine (owned by U.S. Silver & Gold Inc.) from November 2009 until December 2011. Former President, CEO and Director of Gentor Resources Inc. from 2004 to 2010. | since May 4, 2010 | 320,000 |
| Kenneth Berry ⁽²⁾ British Columbia, Canada <i>Chairman and Director</i> | Former President and CEO of Northern Vertex Mining Corp. since June 2007 to November 2012; Chairman and Director of Kootenay Silver Inc. since July 2008 and November 2002, respectively; President, CEO, Corporate Secretary and Director of Theia Resources Ltd. since January 2007. | since June 7, 2007 | 2,318,000 |
| David Farrell ^{(2) (3) (4)} British Columbia, Canada <i>Director</i> | President of Davisa Consulting Corp. (private consulting). Managing Director of Mergers & Acquisitions at Endeavour Financial until October 2011. | since December 13, 2011 | 820,000 |
| James McDonald ^{(2) (3) (5)} Alberta, Canada <i>Director</i> | President, CEO and Director of Kootenay Silver Inc. since March 2005. President of Makwa Exploration Ltd., a private geological consulting company. Director of Regulus Resources Inc. Former Director of Genco Resources Ltd. from 2003 until June 2009; former Director of Alamos Gold Inc. from 2003 until May 2012. | since December 28, 2012 | 3,192,500 |
| Gordon Ulrich ^{(2) (3) (4) (5)} Alberta, Canada <i>Director</i> | Board Member, Alberta Electric System Operator (AESO) since 2009; Former President and CEO of Luscar Ltd. from 1990 to 2001; Board Member, Alberta Balancing Pool, 2003 to 2008; past director of several resource companies and not-for-profit organizations. | since June 6, 2013 | nil |
| J.R.H. (Dick) Whittington ^{(2) (5)} British Columbia, Canada <i>President, Chief Executive Officer and Director</i> | Director of Kootenay Silver Inc. since March 2011. Former President, CEO and Director of PNG Gold Corporation until April 2012; former President, CEO and Director of Farallon Mining Ltd. from 2004 until January 2011; Former Director of Great Panther Silver Limited from June 2012 until January 2013. | since December 28, 2012 | 1,791,666 |

(1) The information as to place of residence, principal occupation and number of shares beneficially owned or over which a nominee exercises control or direction, is not within the knowledge of management of the Company and has been furnished by the respective nominees.

(2) Member of Corporate Governance and Nominating Committee.

(3) Member of Audit Committee.

(4) Member of Compensation Committee, of which all members are independent directors.

(5) Member of Safety, Health and Environment Committee.

No proposed director of the Company is, as at the date of this Management Proxy Circular, or has been within 10 years before the date of this Management Proxy Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company:

- (a) is, as at the date of this Management Proxy Circular, or has been within 10 years before the date of this Management Proxy 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, except for Mr. Ulrich who was a director of Blue Note Mining Inc. until November 2008. Blue Note Mining Inc. sought protection under the Companies' Creditors Arrangement Act on June 12, 2009; or
- (b) has, within the 10 years before the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

AUDIT COMMITTEE

Pursuant to section 224 of the BCBCA, the Company is required to have an audit committee composed of not less than three directors of the Company, a majority of whom are not officers or employees of the Company or any of its affiliates.

The Company, as a venture issuer, must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), provide the following information regarding its audit committee (the "Audit Committee") to its shareholders in this Management Proxy Circular.

Audit Committee Charter

The Company has a written charter (the "Audit Committee Charter and Terms of Reference") which sets out the duties and responsibilities of the Audit Committee.

The text of the Company's Audit Committee Charter and Terms of Reference is attached as Schedule "A".

Composition of the Audit Committee

At the present time, the Company's Audit Committee is composed of Messrs. David Farrell (financially literate and independent), Gordon Ulrich (financially literate and independent), and James McDonald (financially literate).

Relevant Education and Experience

David Farrell, Director

Mr. Farrell is President of Davisa Consulting, a private consulting firm working with junior to mid-tier global mining companies. He formerly was Managing Director of Mergers & Acquisitions at Endeavour Financial where he successfully closed over US\$25 billion worth of M&A transactions for junior and mid-tier natural resource companies. Before his 12 years at Endeavour Financial, Mr. Farrell was a lawyer at Stikeman Elliott LLP, working in Vancouver, Budapest and London. Mr. Farrell graduated from the University of British Columbia with a B.Comm. (Honours, Finance) and an LL.B and was called to the bar in both British Columbia and England. He is a director and audit committee member of Fortuna Silver Mines Inc. and is President, director and audit committee member of Cannon Point Resources Ltd. Mr. Farrell's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.

Gordon Ulrich, Director

Mr. Ulrich is a mining executive with over 40 years' senior level experience. From 1990-2001, he was President and CEO of Luscar Ltd., a major coal, oil and gas company, and successfully took the company public in 1996 with a \$500 million IPO of the Luscar Coal Income Fund. During his tenure, Luscar grew significantly and doubled in size to revenues of \$700 million. He has served as an independent director of a number of Canadian resource companies and is an active community member who continues to serve not-for-profit organizations including the Alberta Electric System Operator (AESO). Mr. Ulrich is a graduate of U.B.C. with a B.A. Sc. in geological engineering and an M.B.A., and is also a registered professional engineer in B.C. and Alberta (life member in Alberta). Mr. Ulrich has experience in reviewing financial statements.

James McDonald, Director

Mr. McDonald holds a P.Geo. designation and has over 25 years' experience in the international mining sector. He is currently President, Chief Executive Officer and Director of Kootenay Silver Inc. He has a proven track record developing and advancing projects from the start-up phase to production. Among his credits, he co-founded and successfully developed National Gold Corporation, which merged with Alamos Minerals Ltd. to form Alamos Gold Inc. for which he was a director and served on the technical committee until June 2012. He also formerly served as President of Genco Resources Ltd. during which time it operated the La Guitarra Mine, an underground silver mine located in Mexico. Mr. McDonald has experience in reviewing financial statements.

Each member of the audit committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than MNP.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the audit services provided by MNP to the Company to ensure auditor independence. The aggregate fees billed by the Company's external auditor during the financial years ended June 30, 2014 and June 30, 2013 were as follows:

| Financial Year Ending | Audit Fees ⁽¹⁾ | Audit-Related Fees ⁽²⁾ | Tax Fees ⁽³⁾ | All Other Fees |
|-----------------------|---------------------------|-----------------------------------|-------------------------|----------------|
| 2014 | \$39,900 | \$67,106 | \$33,275 | Nil |
| 2013 | \$34,122 | Nil | \$60,011 | Nil |

- (1) "Audit Fees" includes fees for the performance of the annual audit and for accounting consultations on matters reflected in the financial statements.
- (2) "Audit-Related Fees" includes fees for assurance and related services that are related to the performance of the review of the financial statements including fees for AIF and "earn-in" audit work and are not reported under (1).
- (3) "Tax Fees" includes fees for tax compliance, tax planning and tax advice.

Exemption

For the year ended June 30, 2014, the Company is relying upon section 6.1 of NI 52-110 which in part exempts a venture issuer from the requirement that every member of the audit committee be independent.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* (the "Guidelines"), the Company is required to provide disclosure of its systems of corporate governance. The Board is committed to good corporate governance practices; however, it considers that some of the Guidelines are not suitable for the Company at its current stage of development and therefore such Guidelines have not been adopted. The following describes the Company's approach to corporate governance:

Board of Directors

The Board currently consists of six directors, Messrs. Kenneth Berry (Chairman), Joseph Bardswich, David Farrell, James McDonald, Gordon Ulrich and J.R.H. (Dick) Whittington.

NI 58-101 distinguishes between independent and non-independent directors. For the purposes of NI 58-101, Messrs. Farrell and Ulrich are independent, while Messrs. Bardswich, Berry, McDonald and Whittington are not independent by virtue of their roles as executive officers, employees, or consultants.

The Board has determined that its present size and constitution is appropriate for the Company's current stage of development.

The Board meets for formal Board meetings periodically during the year to review and discuss the Company's business activities and to consider and, if thought fit, to approve matters presented to the Board for approval, including the annual budget of the Company and to provide guidance to management. In addition, management informally provides

updates to the Board at least once per quarter between formal Board meetings. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Company's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. In addition to its Audit Committee, the Board has also established a Corporate Governance and Nominating Committee, a Compensation Committee and a Safety, Health and Environment Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting for or against the approval of such matter.

Directorships

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

| <u>Name of Director</u> | <u>Name of Reporting Issuer</u> |
|--------------------------------|--|
| Mr. Joseph Bardswich | Theia Resources Ltd. |
| Mr. Kenneth Berry | Kootenay Silver Inc. Theia Resources Ltd. |
| Mr. David Farrell | Cannon Point Resources Ltd. Fortuna Silver Mines Inc. |
| Mr. James McDonald | Kootenay Silver Inc. Regulus Resources Inc. |
| Mr. J.R.H. (Dick) Whittington | Kootenay Silver Inc. |

Orientation and Continuing Education

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Company's affairs. After joining the Board, management and the chairman of the Board provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors; however, requests for education are encouraged.

Ethical Business Conduct

The Board has a Code of Business Conduct and Ethics and views good corporate governance as an integral component to the success of the Company. In addition to promoting the Code of Business Conduct and Ethics, the Board encourages a culture of ethical business conduct by performing appropriate due diligence on proposed directors and ensuring that proposed directors are of the highest ethical standards.

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

Nomination of Directors

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

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and are then considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and, if the results are satisfactory, the candidate is invited to join the Board.

Compensation Committee

The Board has established a Compensation Committee consisting of Messrs. Farrell and Ulrich. The recommendations of the Committee are considered by the Board in determining compensation for the directors, the CEO and other senior executives and consultants.

Other Board Committees

In addition to the Audit, Compensation and Corporate Governance and Nominating Committees, the Board has also established the Safety, Health and Environment Committee.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its Committees or individual directors. These matters are dealt with on a case by case basis at the Board level.

Board Compensation

Directors are eligible for participation in the Option Plan (see below) and cash compensation at the discretion of the Board. For 2014, there were no directors fees paid (2013: \$nil). This situation is reviewed at least annually and is reflective of the Company's current financial situation.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers"):

- (a) the Company's Chief Executive Officer ("CEO");
- (b) the Company's Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation* for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Where a Named Executive Officer acted in that capacity for the Company during part of the financial year for which disclosure is required in the summary compensation table, the Company provides details of all of the compensation that the Named Executive Officer received from the Company for that financial year, including compensation the Named Executive Officer earned in any other position with the Company during the financial year.

During the financial years ended June 30, 2014 and June 30, 2013, the Company had five Named Executive Officers: Messrs. J.R.H. (Dick) Whittington, the Company's President and CEO; Ed Duda, the Company's CFO and Corporate Secretary; Joseph Bardswich, the General Manager of the Moss Project; Kenneth Berry, the Company's Chairman and former President and CEO; and Rajwant Kang, the Company's former CFO and Corporate Secretary. Mr. Kang resigned as CFO and Corporate Secretary effective September 23, 2012, and the executive compensation disclosure for Mr. Kang for the financial year ended June 30, 2013 (Mr. Kang's last year as a Named Executive Officer), was provided in the management proxy circular dated November 19, 2013.

Compensation Discussion and Analysis

The following discussion and analysis focuses on the compensation paid to Named Executive Officers. The Board reviews and monitors the long-range compensation strategy for the senior management of the Company. The Board determines the type and amount of compensation for the President and CEO and other executive officers. Given the Company's size and its stage of development, the Company has not formalized any guidelines with respect to compensation at this time. The Company currently relies on the recommendations of the Compensation Committee and Board discussion to determine the amount of compensation payable to officers of the Company. The amount of compensation paid to management, employees and consultants of the Company is also based upon the financial situation of the Company and the economic climate.

Compensation Philosophy and Objectives

The compensation program for the executive officers of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning the interests of the executive officers with those of the Company's shareholders.

Executive Compensation Policy

In compensating its executive officers, the Company has employed a combination of base salary, bonus compensation and equity participation through its stock option plan.

Base Salary

Base salary is the principal component of executive compensation and the base salary for each executive officer is based on the position held and the related responsibilities and functions performed by the executive. Individual and corporate performance is also taken into account in determining base salary levels for executives.

Bonus Incentive Compensation

The Board approves executive bonus compensation after receiving and reviewing the recommendations of the Compensation Committee. The recommendations of the Compensation Committee are made following input from the CEO and CFO, who prepare suggested bonus compensation for the Compensation Committee's consideration.

Long-Term Incentive (Stock Option Plan)

Long-term incentive is achieved through participation in the Company's amended stock option plan dated for reference November 7, 2011 (the "Option Plan"). Stock options are granted to senior management, employees and consultants, taking into account a number of factors including base salary and bonuses and competitive factors. Vesting terms of options are determined by the Board and are in accordance with the Option Plan and the TSX Venture Exchange (the "TSX-V") regulations.

The stock option component of executive officers' compensation is intended to advance the interests of the Company by encouraging the officers of the Company to acquire shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with a long-term incentive in their efforts on behalf of the Company in the conducting of its affairs. Grants under the Option Plan are intended to provide long term awards linked directly to the market value performance of the Company's shares. The Board reviews management's recommendations for the granting of stock options to management, directors, officers and other employees and consultants of the Company and its subsidiaries. Stock options are granted according to the specific level of responsibility of the particular executive. The number of outstanding options is also considered by the Board when determining the number of options to be granted in any particular year due to the limited number of options which are available for grant under the Option Plan. As at the date of this Management Proxy Circular, there were options outstanding to purchase an aggregate of 4,895,000 Common Shares.

Compensation Risk Assessment and Mitigation

The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board is responsible for setting and overseeing the Company's compensation policies and practices. Through its Compensation Committee, the Board provides monitoring and oversight of compensation policies and practices of the Company, and the Compensation Committee reviews, considers and adjusts these matters at least annually as necessary. The Compensation Committee is responsible for implementing practices to identify and mitigate compensation policies that could encourage a Named Executive Officer or individual at a principal business unit or division to take inappropriate or excessive risks. The Company currently believes that none of its policies encourage its Named Executive Officers to take such risks. The Company has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There are no restrictions on Named Executive Officers or directors regarding the purchase of financial instruments, including 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 Named Executive Officer or director. For the year ended June 30, 2014, no Named Executive Officer or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

Summary Compensation Table

The following table is a summary of compensation paid to the Company's present Named Executive Officers for the financial years ended June 30, 2014, June 30, 2013 and June 30, 2012:

| | | | | | Non-equity incentive plan compensation (\$) | | | | |
|---|------|--------------------------|-------------------------|----------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Annual incentive plans | Long-term incentive plans | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
| J.R.H. (DICK) WHITTINGTON ⁽²⁾ Director President and CEO | 2014 | \$355,334 ⁽¹⁾ | N/A | \$153,000 ⁽³⁾ | N/A | N/A | N/A | Nil | \$508,334 |
| | 2013 | \$195,833 | N/A | \$1,230,000 ⁽⁴⁾ | N/A | N/A | N/A | Nil | \$1,425,833 |
| | 2012 | N/A | N/A | Nil | N/A | N/A | N/A | Nil | Nil |
| ED DUDA ⁽⁵⁾ CFO and Corporate Secretary | 2014 | \$189,800 ⁽¹⁾ | N/A | Nil | N/A | N/A | N/A | Nil | \$189,800 |
| | 2013 | \$114,000 ⁽⁶⁾ | N/A | \$315,000 ⁽⁷⁾ | N/A | N/A | N/A | Nil | \$429,000 |
| | 2012 | N/A | N/A | Nil | N/A | N/A | N/A | Nil | Nil |
| JOSEPH BARDSWICH Director General Manager, Moss Project | 2014 | \$225,233 ⁽¹⁾ | N/A | Nil | N/A | N/A | N/A | Nil | \$225,233 |
| | 2013 | \$172,998 ⁽⁸⁾ | N/A | \$157,500 ⁽⁹⁾ | N/A | N/A | N/A | Nil | \$330,498 |
| | 2012 | \$73,259 ⁽⁸⁾ | N/A | Nil | N/A | N/A | N/A | Nil | \$73,259 |
| KENNETH BERRY ⁽¹⁰⁾ Director and Chairman Former President and CEO | 2014 | \$156,139 ⁽¹⁾ | N/A | \$102,000 ⁽¹¹⁾ | N/A | N/A | N/A | Nil | \$258,139 |
| | 2013 | \$144,000 | N/A | \$262,500 ⁽¹²⁾ | N/A | N/A | N/A | Nil | \$406,500 |
| | 2012 | \$152,500 | N/A | Nil | N/A | N/A | N/A | Nil | \$152,500 |

- (1) Salary amounts have been restructured and reduced subsequent to the reporting date of June 30, 2014. See page 14 (Employment/Consulting Contracts) for details.
- (2) Mr. Whittington was appointed President and CEO on November 5, 2012.
- (3) Mr. Whittington was granted 300,000 stock options during the financial year ended June 30, 2014, with an estimated grant-date fair value of \$0.51 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.89%, estimated volatility of 106%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.
- (4) Mr. Whittington was granted 1,200,000 stock options during the financial year ended June 30, 2013, with an estimated weighted-average grant-date fair value of \$1.03 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the stock option grant dates using the Black-Scholes Option Pricing Model and the following weighted-average assumptions: risk-free interest rate of 1.32%, estimated volatility of 104%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.
- (5) Mr. Duda was appointed CFO and Corporate Secretary on September 23, 2012.
- (6) Salary compensation includes \$29,000 paid to Delmac Pacific Management Inc., a company controlled by Mr. Duda.
- (7) Mr. Duda was granted 300,000 stock options during the financial year ended June 30, 2013, with an estimated grant-date fair value of \$1.05 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.31%, estimated volatility of 103%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.
- (8) Salary compensation includes US\$73,259 paid in 2012 and US\$107,998 paid in 2013 to L.J. Bardswich Mine Consultant Inc., a company controlled by Mr. Bardswich. Salary compensation for Mr. Bardswich is earned in U.S. dollars and has been translated into Canadian dollars at average exchange rates for the periods presented.
- (9) Mr. Bardswich was granted 150,000 stock options during the financial year ended June 30, 2013, with an estimated grant-date fair value of \$1.05 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.31%, estimated volatility of 103%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.

- (10) Mr. Berry resigned as President and CEO effective November 5, 2012.
- (11) Mr. Berry was granted 200,000 stock options during the financial year ended June 30, 2014, with an estimated grant-date fair value of \$0.51 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.89%, estimated volatility of 106%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.
- (12) Mr. Berry was granted 250,000 stock options during the financial year ended June 30, 2013, with an estimated grant-date fair value of \$1.05 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.31%, estimated volatility of 103%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.

Employment/Consulting Contracts

On June 25, 2014, Mr. J.R.H. (Dick) Whittington entered into a revised employment agreement with the Company, under which Mr. Whittington serves as the Company's President and CEO for an indefinite term. Under the terms of the employment agreement, Mr. Whittington will be paid a base annual salary of \$175,000 commencing January 1, 2015, increasing with the achievement of certain milestones related to Phase II financing and commencement of commercial production at the Company's Moss Mine. Under the terms of the employment agreement, Mr. Whittington's annual salary for the 2014 year was restructured and reduced to consist of a \$173,334 lump-sum cash payment payable on July 1, 2014 in lieu of his salary being suspended for the six months from January 1st to June 30th and \$10,000 per month thereafter, until the end of 2014. Mr. Whittington is entitled to an incentive bonus of up to 100% of base salary on the achievement of certain milestones related to Phase II financing and commencement of commercial production at the Company's Moss Mine. Mr. Whittington was granted 100,000 stock options following the signing of the revised employment agreement and is entitled to an additional 500,000 stock options once financing for Phase II at the Company's Moss Mine has been completed. Mr. Whittington's previous employment agreement provided for a base annual salary of \$350,000 as well as an annual incentive bonus of 100% of base salary and stock option grants tied to advancement of phased operations at the Company's Moss Mine. No discretionary incentive bonus was paid or accrued for the June 30, 2014 fiscal year.

On June 30, 2014, Mr. Ed Duda entered into a revised executive employment agreement with the Company, under which Mr. Duda serves as the Company's Chief Financial Officer and Corporate Secretary for an indefinite term. Under the terms of the employment agreement, Mr. Duda is paid a reduced annual base salary of \$160,000 effective July 1, 2014, increasing with the completion of Phase II financing for the Company's Moss Mine. Mr. Duda is entitled to a discretionary annual incentive bonus of 50% of salary. Mr. Duda's previous executive employment agreement provided for a base annual salary of \$160,000 (increased to \$180,000 on April 1, 2013) and an annual incentive bonus of 50% of salary. No discretionary incentive bonus was paid or accrued for the June 30, 2014 fiscal year.

On July 4, 2014 and with an effective date of August 1, 2014, L.J. Bardswich Mine Consultant Inc., a company controlled by Mr. Bardswich, entered into a consulting agreement with Golden Vertex Corp., a wholly-owned subsidiary of the Company for the services of Mr. Bardswich to act as the Company's General Manager – Moss Project for an indefinite term. Under the terms of the consulting agreement, Mr. Bardswich will devote 50% of his business time and attention to the business of the Company and will receive an annual base fee of US\$115,000. Under the terms of the consulting agreement, Mr. Bardswich is also entitled to a discretionary annual incentive bonus of 50% of the annual base fee as well as options of the Company. Under the terms of Mr. Bardswich's previous employment agreement, Mr. Bardswich was paid a base salary of US\$180,000, increased to US\$200,000 on April 1, 2013, and was eligible to receive an annual incentive bonus of 50% of base salary. No discretionary bonus was paid or accrued for the June 30, 2014 fiscal year.

On June 25, 2014, Mr. Ken Berry entered into a revised consulting agreement with the Company under which Mr. Berry provides business development services to the Company for an indefinite term. The consulting agreement provides for a reduced annual fee of \$120,000 commencing January 1, 2015, increasing with the achievement of certain milestones related to Phase II financing and commencement of commercial production at the Company's Moss Mine. Under the terms of the consulting agreement, Mr. Berry's annual fee for the 2014 year was restructured to consist of a \$78,000 lump-sum cash payment, and Mr. Berry is eligible for an annual incentive bonus and stock options at the discretion of the Board. Mr. Berry's previous consulting agreement provided for an annual fee of \$156,000 and an annual incentive bonus at the discretion of the CEO and/or the Board. No discretionary bonus was paid or accrued for

the June 30, 2014 fiscal year.

On June 25, 2014, Touchstone Capital Inc. (“Touchstone”), a company of which Mr. Berry is an executive, entered into a revised agreement with the Company to provide clerical, accounting, regulatory filing, geological, and consulting services. Under the terms of the agreement, Touchstone is paid a fixed monthly fee of \$5,000 commencing January 1, 2015 and increasing to \$10,000 per month when Phase II is fully financed. In addition, the Company will reimburse Touchstone for any reasonable expenses incurred regarding services performed for the Company. Touchstone is eligible for a success fee with the achievement of certain milestones related to financing and Phase II commercial production. Touchstone’s previous consulting agreement provided for a minimum monthly fee of \$10,000. The Company incurred total charges of \$176,108 from Touchstone during the financial year ended June 30, 2014.

Incentive Plan Awards

The purpose of the Option Plan is to provide an incentive for directors, officers, key employees and consultants of the Company to directly participate in the Company’s growth and development by providing them with the opportunity, through options, to purchase common shares of the Company and acquire an increased financial interest in the Company.

The Board believes that the granting of options is an effective way to: support the achievement of the Company’s long-term performance objectives; ensure executive, director, employee and consultant commitment to the longer term interests of the Company and its shareholders; and, provide compensation opportunities to attract, retain and motivate directors, officers, employees and consultants critical to the success of the Company. The CEO, in discussion with management, will make recommendations to the Board on the grant of options to individuals, taking into account the Company’s long-range objectives and previous grants to such individuals, and comparing and in most cases matching option grants and holdings for similar positions in the industry.

Outstanding option-based awards and share-based awards

Financial Year ended June 30, 2014

No share-based awards were granted as at June 30, 2014. The following table sets out the outstanding option-based awards held by the Named Executive Officers as at June 30, 2014:

| Name | Option-based Awards | | | |
|---------------------------|---|----------------------------|------------------------|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾ |
| J.R.H. (Dick) Whittington | 1,000,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| | 200,000 | \$1.40 | January 21, 2018 | Nil ⁽²⁾ |
| | 300,000 | \$0.65 | September 25, 2018 | Nil ⁽²⁾ |
| Ed Duda | 300,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| Joseph Bardswich | 150,000 | \$0.45 | November 13, 2015 | Nil ⁽²⁾ |
| | 150,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| Kenneth Berry | 50,000 | \$0.45 | November 13, 2015 | Nil ⁽²⁾ |
| | 250,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| | 200,000 | \$0.65 | September 25, 2018 | Nil ⁽²⁾ |

(1) The value of unexercised “in-the-money” options at the financial year ended June 30, 2014 is the difference between the option exercise price and the market value of the underlying shares on the TSX-V on June 30, 2014. The market value of the shares is the closing price of the Company’s common shares on the TSX-V on June 30, 2014. The closing price of the shares on June 30, 2014 was \$0.34.

(2) The options were not “in-the-money” as at June 30, 2014.

Incentive plan awards – value vested or earned during the year

Financial Year Ended June 30, 2014

The following table sets out the value vested or earned under incentive plans during the financial year ended June 30, 2014 for each Named Executive Officer:

| Name | Option-based awards – Value vested during the year (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|---------------------------|---|--|--|
| J.R.H. (Dick) Whittington | Nil | N/A | N/A |
| Ed Duda | Nil | N/A | N/A |
| Joseph Bardswich | Nil | N/A | N/A |
| Kenneth Berry | Nil | N/A | N/A |

For further information regarding the Company's Option Plan, refer to the section "Approval of Amended Stock Option Plan."

Pension Plan Benefits

The Company does not provide pension plan or other retirement benefits for directors or executive officers.

Termination and Change of Control Benefits

Other than as noted in this section, the Company has no termination or change of control benefits for Named Executive Officers.

The Company may terminate Mr. Whittington's employment, without cause, at any time by providing 12 months' advance written notice. In lieu of such notice, the Company may at its option pay regular instalments of Mr. Whittington's annual salary and continue providing benefits. In the event of a change of control of the Company, Mr. Whittington will, under certain circumstances, be entitled to severance payments equal to 24 months of his annual salary plus benefits.

The Company's agreement with Mr. Duda provides for severance equal to 12 months' of annual salary, plus benefits, for termination of employment without cause. In the event of a change of control of the Company, Mr. Duda will, under certain circumstances, be entitled to severance equal to 12 months of annual salary plus benefits.

Director Compensation

Financial Year Ended June 30, 2014

Director compensation table

The following table sets out the compensation provided to all directors who are not Named Executive Officers for the Company's most recently completed financial year ended June 30, 2014:

| Name | Fees earned (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|-----------------------------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| David Farrell | Nil | N/A | Nil | N/A | N/A | Nil | Nil |
| James McDonald | Nil | N/A | Nil | N/A | N/A | \$166,667 ⁽¹⁾ | \$166,667 |
| Mark Schnarr ⁽²⁾ | Nil | N/A | \$102,000 ⁽³⁾ | N/A | N/A | Nil | \$102,000 |
| Gordon Ulrich | Nil | N/A | Nil | N/A | N/A | Nil | Nil |

- (1) All other compensation includes \$166,667 for geological services provided by Makwa Exploration Ltd., a company controlled by Mr. McDonald.
- (2) Mr. Schnarr resigned from the Board effective March 31, 2014.
- (3) Mr. Schnarr was granted 200,000 stock options during the financial year ended June 30, 2014, with an estimated grant-date fair value of \$0.51 per share. The grant-date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of the option-based award was estimated on the date of grant of the stock options using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.89%, estimated volatility of 106%, expected life of 5 years, expected forfeiture rate of 0% and expected dividend yield of 0%.

Option-based awards, share-based awards and non-equity incentive plan compensation

No share-based awards were granted as at June 30, 2014. The following table sets out the outstanding option-based awards held by directors who are not Named Executive Officers as at June 30, 2014:

| | Option-based Awards | | | |
|-----------------------------|--|-----------------------------------|-------------------------------|--|
| Name | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾ |
| David Farrell | 200,000 | \$1.30 | December 12, 2016 | Nil ⁽²⁾ |
| | 100,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| James McDonald | 150,000 | \$0.45 | November 13, 2015 | Nil ⁽²⁾ |
| | 250,000 | \$1.40 | November 11, 2017 | Nil ⁽²⁾ |
| Mark Schnarr ⁽³⁾ | 50,000 | \$0.45 | November 13, 2015 | Nil ⁽²⁾ |
| | 200,000 | \$0.65 | September 25, 2018 | Nil ⁽²⁾ |
| Gordon Ulrich | 200,000 | \$0.85 | June 6, 2018 | Nil ⁽²⁾ |

(1) The value of unexercised “in-the-money” options at the financial year ended June 30, 2014 is the difference between the option exercise price and the market value of the underlying shares on the TSX-V on June 30, 2014. The market value of the shares is the closing price of the Company’s common shares on the TSX-V on June 30, 2014. The closing price of the shares on June 30, 2014 was \$0.34.

(2) The options were not “in-the-money” as at June 30, 2014.

(3) Mr. Schnarr resigned from the Board effective March 31, 2014.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned under incentive plans during the Company’s fiscal year ended June 30, 2014, for each director of the Company, excluding a director who is already set out in disclosure for a Named Executive Officer above.

| Name | Option-based awards – Value vested during the year (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|----------------|--|---|---|
| David Farrell | Nil | N/A | N/A |
| James McDonald | Nil | N/A | N/A |
| Mark Schnarr | Nil | N/A | N/A |
| Gordon Ulrich | Nil | N/A | N/A |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Option Plan, as at the end of the Company's most recently completed financial year of June 30, 2014. For further information regarding the Option Plan, refer to the section "*Approval of Amended Stock Option Plan.*"

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|--|--|--|
| Equity compensation plans approved by securityholders ⁽¹⁾ | 4,895,000 | \$1.06 | 894,935 |
| Equity compensation plans not approved by securityholders | - | - | - |
| Total | 4,895,000 | \$1.06 | 894,935 |

(1) The Option Plan reserves the number of shares available for issuance under the plan based a rolling maximum of 10% of the number of common shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since July 1, 2013, no current or former director, executive officer or employee of the Company, or of any of its subsidiaries, has been indebted to the Company or to any of its subsidiaries, nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Management Proxy Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, no informed person (a director or executive officer of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer, any person or company who beneficially owns, or controls or directs, directly or indirectly, common shares of the Company carrying more than 10% of the voting rights attached to all outstanding common shares of the Company) nor any proposed director of the Company, nor any associate or affiliate of any informed person or proposed director has had since July 1, 2013 any material interest, direct or indirect, in any transactions or proposed transactions which materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

The management functions of the Company and any subsidiary of the Company are not, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

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

Other than as disclosed elsewhere in this Management Proxy Circular, none of the directors or executive officers of the

Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Amended Stock Option Plan

At the Annual and Special Meeting of Shareholders of the Company held on December 27, 2013, the shareholders approved the Option Plan which was originally approved by shareholders on September 30, 2010 and entitles the Company to grant options to purchase up to a maximum of 10% of the Company's issued and outstanding common shares as at the time of grant.

As the Option Plan is a rolling plan, under TSX-V policy, the Option Plan must be presented to shareholders for approval by ordinary resolution at every annual general meeting of the Company to authorize continuation of the Option Plan. As at the date of this Management Proxy Circular, the Company had 72,941,446 common shares issued and outstanding so that a maximum of 7,294,145 common shares would be available for issuance pursuant to stock options granted under the Option Plan. As at the date of this Management Proxy Circular, there were 4,895,000 stock options outstanding under the Option Plan, leaving 2,399,145 common shares available for the granting of further options.

The Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan is administered by the CEO and CFO of the Company. The Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Option Plan also provides that the number of common shares issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. Pursuant to the Option Plan all options expire on a date not later than 10 years after the date of grant of an option.

The Board is of the view that the Option Plan provides the Company with flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

The Option Plan is subject to the following restrictions:

- (a) the Company must not grant an option to a director, employee, consultant, or consultant company (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their Associates ("Disinterested Shareholder Approval");
- (b) the aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant and must vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
- (c) the Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) the number of optioned shares issued to insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Option Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (e) the exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

Material Terms of the Option Plan

The following is a summary of the material terms of the Option Plan:

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Option Plan;
- (b) options granted under the Option Plan are non-assignable, and non-transferable and are exercisable for a period of up to 10 years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an option granted to any Service Provider will expire within 90 days (or such other time as shall be determined by the Board and expressly provided for in the option certificate), after the date the optionee ceases to be employed by or provide services to the Company, but only to the extent that such option was vested at the date the optionee ceased to be so employed by or to provide services to the Company;
- (e) if an optionee dies, any vested options held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an optionee being dismissed from employment or service for cause, such optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Market Value of the shares (as defined in the Option Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by, or continuing to provide services to, the Company or its affiliates; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Option Plan with respect to all Option Plan shares in respect of options which have not yet been granted under the Option Plan.

The rules of the TSX-V require that the Option Plan be approved annually by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the Company's 10% rolling Amended Stock Option Plan (the “Option Plan”), dated for reference November 7, 2011 is hereby ratified, confirmed and approved until the next annual general meeting of the Company;
- (b) the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Option Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date; and,
- (c) the Board or any committee created pursuant to the Option Plan is authorized to make such amendments to the Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of

all applicable regulatory authorities and in certain cases, in accordance with the terms of the Option Plan, the shareholders.”

An ordinary resolution is a resolution passed by a majority of greater than 50% of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Meeting.

A complete copy of the Option Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Option Plan by contacting the Company by telephone at (604) 601-3656 or by fax at (604) 683-2249.

The directors believe that the Option Plan is in the Company’s best interests and recommend that the shareholders approve the Option Plan.

OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Management Proxy Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Management Proxy Circular to vote the same in accordance with their best judgement of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 1820, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9 or call the Company at (604) 601-3656 to request copies of the Company’s financial statements and management’s discussion and analysis.

Financial information for the Company is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for the financial year ended June 30, 2014 which are available on SEDAR at www.sedar.com.

DATED at Vancouver, British Columbia, this 25th day of November, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Kenneth E. Berry”
Chairman

SCHEDULE “A”

NORTHERN VERTEX MINING CORP. (the “Company”)

AUDIT COMMITTEE CHARTER AND TERMS OF REFERENCE

(Adopted by the Board of Directors on May 28, 2013)

Mandate

The primary mandate of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

- The Committee shall be comprised of at least three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the applicable securities legislation.
- At least one member of the committee shall have accounting or related financial management expertise. All members of the committee must be financially literate. “Financially Literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.
- The members of the Committee shall be elected by the Board of Directors on an annual basis. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

- The Audit Committee will meet at least four times a year. Special meetings may be called by the chair of the Audit Committee as required.
- Quorum for a meeting of the Audit Committee will be a majority of the members in attendance.
- Members may attend meetings of the Audit Committee by teleconference, videoconference, or by similar communication equipment by means of which all persons participating in the meeting can communicate with each other.
- The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

- The Company's auditors will be advised of the names of the members of the Audit Committee and will receive notice of and be invited to attend meetings of the Audit Committee and to be heard at those meetings on matters related to the Auditor's duties.
- Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee. Minutes of each meeting must be distributed to members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

A. External Auditors

- Ensure the external auditors report directly to the Committee.
- Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- Obtain written confirmation from the external auditor that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs.
- Set the compensation to be paid to the external auditors and recommend such payment to the Board of Directors.
- Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- Review with management and the external auditors, prior to the annual audit, the terms of the external auditors' engagement letter.
- At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- Review with the management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- Review and pre-approve all audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

B. Financial Statements and Financial Information

- Review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board of Directors.
- Review and discuss with management the quarterly financial statements of the Company, and recommend their approval by the Board of Directors.
- Review and if appropriate, recommend to the Board of Directors for approval the financial content of the annual report.

- Review the Company's management's discussion and analysis, earnings guidance press releases, annual and interim earnings press releases, and audit committee reports before the Company publicly discloses this information.

C. Financial Reporting Processes

- In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles applied in its financial reporting.
- Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- Review significant judgments and estimates made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments and estimates.
- Review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer.
- Review any significant disagreement among management and the external auditors regarding financial reporting.
- Review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented.

D. Other

- Review the Company's insurance, including Directors and Officers coverage, and provide recommendations to the Board or Directors.
- Establish procedures for:
 - The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Authority

The Committee may:

- Engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- Set and pay the compensation for any advisors employed by the Committee; and
- Communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.