

# **NIOGOLD MINING CORP.**

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## **INFORMATION CIRCULAR**

(containing information as at September 25, 2014, unless otherwise stated)

### **SOLICITATION OF PROXIES**

**This Information Circular (this "Circular") is furnished in connection with the solicitation of proxies by the Management of NIOGOLD MINING CORP. (the "Company"), for use at the Annual General Meeting (the "Meeting") of the Shareholders of the Company to be held on Thursday, the 30th day of October, 2014, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.**

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of Proxy are Directors and/or Officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another instrument of proxy.** A proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Computershare Trust Company of Canada ("Computershare") by hand or mail at 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail with Computershare at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction. **In the absence of any instruction in a proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a Special Resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, shares held by Shareholders who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("Broadridge"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("OBOs" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("NOBOs" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (VIF) from our Transfer Agent, Computershare Trust Company of Canada ("Computershare"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a proxyholder.

All references to shareholders in this Circular and the accompanying form of proxy are to registered shareholders unless specifically stated otherwise.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

### **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on September 25, 2014 (the "Record Date") who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

The Company's authorized capital consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preferred shares ("Preferred Shares") without par value. As at the Record Date, the Company has 120,764,874 Common Shares issued and outstanding, each share carrying the right to one vote, and no Preferred Shares issued and outstanding.

To the best of the knowledge of the directors and senior officers of the Company, as at the Record Date the following person(s) beneficially own, or exercise control or direction over, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

Name	Number of Voting Securities	Percentage
Wexford Capital LP <sup>(1)</sup>	21,255,279	17.6%
Osisko Gold Royalties Ltd.	23,598,500	19.5%

(1) Includes direct and indirect ownership and control, as reported by Wexford in an alternative monthly report under National Instrument 62-103 filed by it on April 8, 2013. The Company has no independent verification of this information or any changes to this information since the date of the alternative monthly report.

### **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had three "Named Executive Officers" during the financial year ended August 31, 2014, namely Mr. Michael Iverson, President and CEO, Mr. Jonathan Richards, CFO and Secretary, and Mr. Yan Ducharme, VP of Exploration.

### **Definitions**

For the purpose of this Circular:

"CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the company's security was last sold, on the applicable date,

(a) in the security's principal marketplace in Canada, or

(b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"equity incentive plan"** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

**"grant date"** means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

**"incentive plan"** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**"incentive plan award"** means compensation awarded, earned, paid, or payable under an incentive plan;

**"NEO" or "named executive officer"** means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 prescribed under National Instrument 51-102, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

**"NI 52-107"** means National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

**"non-equity incentive plan"** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**"option-based award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**"replacement grant"** means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

**"repricing"** means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

**"share-based award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **Compensation Discussion and Analysis**

### ***NEO Discussion and Analysis***

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEO's as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO receives a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package. The Board reviews each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Board may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. NEO's are also eligible to participate in the Company's Stock Option Plan (the "Option Plan") and receive grants of stock options thereunder.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

### ***Option-Based Awards***

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEO's, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increasing shareholder value. The Board reviews the grant of stock options to NEO's from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Company achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when consider new grants of stock options to NEO's.

The Company has no equity compensation plans other than the Option Plan.

### ***Use of Financial Instruments***

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing 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. However, management is not aware of any Named Executive or director purchasing such an instrument.

### **NEO Summary Compensation Table**

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

Name and principal position (a)	Year <sup>(1)</sup> (b)	Salary (\$) (c)	Grant date fair value of share-based awards (\$) (d)	Grant date fair value of option-based awards <sup>(2)</sup> (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Michael Iverson President & CEO	2014	150,000 <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A	6,000 <sup>(4)</sup>	156,000
	2013	150,000 <sup>(3)</sup>	N/A	145,523	N/A	N/A	N/A	26,000 <sup>(4)</sup>	321,523
	2012	150,000 <sup>(3)</sup>	N/A	32,849	N/A	N/A	N/A	6,000 <sup>(4)</sup>	188,849

Jonathan Richards CFO & Secretary	2014	55,000 <sup>(5)</sup>	N/A	N/A	N/A	N/A	N/A	Nil	55,000
	2013	55,000 <sup>(5)</sup>	N/A	22,873	N/A	N/A	N/A	10,000 <sup>(6)</sup>	87,873
	2012	55,000 <sup>(5)</sup>	N/A	N/A	N/A	N/A	N/A	10,000 <sup>(6)</sup>	65,000
Yan Ducharme VP of Exploration	2014	125,000	N/A	N/A	N/A	N/A	N/A	Nil	125,000
	2013	125,000	N/A	54,637	N/A	N/A	N/A	20,000 <sup>(7)</sup>	199,637
	2012	105,000	N/A	N/A	N/A	N/A	N/A	15,000 <sup>(7)</sup>	125,000

- (1) Fiscal year ended August 31.
- (2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. See note 8 to the audited annual financial statements for the financial year ended August 31, 2013 for underlying assumptions used for options granted in that year. The following underlying assumptions were used for options granted in the most recently completed financial year ended August 31, 2014: risk free interest rate of 1.67%, share price volatility of 78.07%, expected life of 3.86 years, dividend rate of nil, and forfeiture rate of nil.
- (3) Management fees paid to Triple K Ventures Ltd. a private company controlled by Mr. Iverson.
- (4) Includes office rent of \$6,000 per year paid to Triple K Ventures Ltd. and in respect of 2013, a bonus paid of \$20,000.
- (5) Consulting fees paid to Red Fern Consulting Ltd., a private company controlled by Mr. Richards.
- (6) Bonus paid.
- (7) Bonus paid.

### ***Narrative Discussion***

The Company's general compensation strategy for NEO's is discussed above under "Compensation Discussions and Analysis – NEO Discussions and Analysis". During the most recently completed financial year, the NEO's had the following employment agreements or arrangements with the Company and any subsidiaries thereof:

- Mr. Michael Iverson. The Company has a consulting agreement, effective January 1, 2012, with Triple K Ventures Ltd. ("Triple K"), a private company controlled by Mr. Iverson, whereby the Company agreed to pay Triple K the sum of \$12,500 per month and an allowance of \$500 per month for office expenses for providing the services of Mr. Iverson as CEO and for corporate consulting services to the Company. The agreement had an initial term to August 31, 2013 with automatic extension for successive one year terms. The Agreement is terminable by Triple K on 90 days notice always provided that if there is a Change of Control (as defined in the consulting agreement) and within three months thereof Triple K has Good Cause (as defined in the consulting agreement), Triple K may terminate the agreement and the Company is required to pay 24 months' severance to Triple K. In the event the Company terminates the agreement without cause, the Company is required to pay 18 months' severance to Triple K always provided that if there is a Change of Control (as defined in the consulting agreement), the Company may not directly or indirectly terminate the services without cause for a period of six months after the Change of Control. In the event of Mr. Iverson's death, or if Mr. Iverson is incapacitated as determined under the terms of the consulting agreement, the Company may deem the agreement frustrated and upon such election shall pay to Triple K a lump sum payment equal to the monthly consulting fee multiplied by 18 months.
- Mr. Jonathan Richards. The Company has an unwritten arrangement with Red Fern Consulting Ltd. ("Red Fern"), a private company controlled by Mr. Richards, whereby the Company has agreed to pay Red Fern \$4,583 per month to provide financial services to the Company.
- Mr. Yan Ducharme. The Company has an unwritten arrangement with Mr. Ducharme whereby the Company has agreed to pay Mr. Ducharme \$105,000 per annum payable on a bi-weekly basis to act as and fulfill the duties of Vice President Exploration for the Company.

### **NEO Incentive Plan Awards**

#### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Michael Iverson	150,000	0.26	Apr. 15/15	10,500	N/A	N/A	N/A
	350,000	0.35	Oct. 19/15	Nil			
	400,000 <sup>(2)</sup>	0.31	Dec 14/17	8,000			
	325,000 <sup>(3)</sup>	0.20	Aug 29/18	42,250			
Jonathan Richards	200,000	0.25	Jun. 1/15	16,000	N/A	N/A	N/A
	35,000 <sup>(2)</sup>	0.31	Dec 14/17	700			
	148,750 <sup>(3)</sup>	0.20	Aug 29/18	19,338			
	85,000 <sup>(3)</sup>	0.30	Aug 29/18	2,550			
Yan Ducharme	135,000 <sup>(2)</sup>	0.31	Dec 14/17	2,700	N/A	N/A	N/A
	175,000 <sup>(3)</sup>	0.20	Aug 29/18	22,750			
	75,000 <sup>(3)</sup>	0.30	Aug 29/18	2,250			

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the last day of the most recently completed financial year, being \$0.33.

(2) Of these options, 80% had vested as at the end of the most recently completed financial year.

(3) Of these options, 60% had vested as at the end of the most recently completed financial year.

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

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards –Value vested during the year <sup>(1)</sup> (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Michael Iverson	8,450	N/A	N/A
Jonathan Richards	4,378	N/A	N/A
Yan Ducharme	5,000	N/A	N/A

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

### ***Narrative Discussion***

The grant of stock options to NEO's pursuant to the Company's Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards". During the most recently completed financial year, the Company granted nil options to NEO's of which nil options vested during the financial year. A further 551,500 options granted in prior financial years to NEO's became vested during the most recently completed financial year. As at the end of said financial year, NEO's held 2,078,750 options (of which 1,641,250 were vested at the end of said year) of the 6,820,000 then issued and outstanding options.

### **NEO Termination and Change of Control Benefits**

There are no provisions in any contract, agreement, plan or arrangement, that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities, except as disclosed above under "NEO Summary Compensation Table – Narrative Discussion".

## **DIRECTOR COMPENSATION**

### **Director Compensation Table**

The following table sets out certain information respecting the compensation paid to directors of the Company who were not NEO's during the Company's most recently completed financial year:

Name	Fees earned	Grant date fair value of share-based awards	Grant date fair value of option-based awards <sup>(1)</sup>	Non-equity incentive plan compensation	Pension value	All other compensation	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Toby Lim	Nil	N/A	N/A	N/A	N/A	Nil	N/A
Michele Marrandino <sup>(2)</sup>	Nil	N/A	N/A	N/A	N/A	Nil	N/A
Peter Hawley	Nil	N/A	N/A	N/A	N/A	Nil	N/A
Simon Ridgway	Nil	N/A	5,252	N/A	N/A	Nil	5,252

(1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. The following underlying assumptions were used for options granted in the most recently complete financial year ended August 31, 2014: risk free interest rate of 1.67%, share price volatility of 78.07%, expected life of 3.86 years, dividend rate of nil, and forfeiture rate of nil.

(2) Mr. Marrandino resigned as a director on August 27, 2014.

### ***Narrative Discussion***

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

- Although Mr. Lim is not compensated by the Company, Mr. Lim is an associate lawyer at Anfield Sujir Kennedy & Durno LLP, a law firm which has been retained by the Company as general corporate and securities counsel.

### **Director Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation**

#### ***Outstanding Share-Based Awards and Option-Based Awards***

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

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Toby Lim	200,000 300,000 <sup>(3)</sup> 250,000 <sup>(4)</sup>	0.35 0.31 0.20	Oct. 19/15 Dec 14/17 Aug 29/18	Nil 6,000 32,500	N/A	N/A	N/A
Michele Marrandino <sup>(2)</sup>	200,000 300,000 <sup>(3)</sup> 250,000 <sup>(4)</sup>	0.35 0.31 0.20	Oct. 19/15 Dec 14/17 Aug 29/18	Nil 6,000 32,500	N/A	N/A	N/A
Peter Hawley	750,000 <sup>(3)</sup> 250,000 <sup>(4)</sup>	\$0.31 \$0.20	Dec 14/17 Aug 29/18	15,000 32,500	N/A	N/A	N/A



Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Simon Ridgway	200,000 <sup>(3)</sup> 300,000 <sup>(4)</sup> 250,000 <sup>(5)</sup>	\$0.35 \$0.20 \$0.30	Oct 19/15 Aug 29/18 Oct 28/18	Nil 39,000 7,500	N/A	N/A	N/A

- (1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the last day of the most recently completed financial year, being \$0.33.
- (2) Mr. Marrandino resigned as a director on August 27, 2014.
- (3) Of these options, 80% had vested as at the end of the most recently completed financial year.
- (4) Of these options, 60% had vested as at the end of the most recently completed financial year.
- (5) Of these options, 40% had vested as at the end of the most recently completed financial year.

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

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year for the directors of the Company who were not NEO's.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Toby Lim	6,500	N/A	N/A
Michele Marrandino <sup>(2)</sup>	6,500	N/A	N/A
Peter Hawley	6,500	N/A	N/A
Simon Ridgway	7,800	N/A	N/A

- (1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date. See also narrative discussion below.
- (2) Mr. Marrandino resigned as a director on August 27, 2014.

### ***Narrative Discussion***

The grant of stock options to directors pursuant to the Company's Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards". During the most recently completed financial year, the Company granted 250,000 options to directors who were not NEO's of which 100,000 options vested during the financial year. A further 960,000 options granted in prior financial years to directors who were not NEO's vested during the most recently completed financial year. As at the end of said financial year, directors who were not NEO's held 3,250,000 options (of which 2,410,000 were vested at the end of said year) of the 6,820,000 then issued and outstanding options.

### **AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 Audit Committees is attached to this Circular as Schedule "A".

## **CORPORATE GOVERNANCE DISCLOSURE**

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

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of August 31, 2014:

### **Equity Compensation Plan Information**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding those in column (a)) <sup>(1)</sup>
	(a)	(b)	(c)
Equity compensation plans approved by securityholders <sup>(2)</sup>	6,820,000	\$0.29	5,256,487
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTAL	6,820,000		5,256,487

(1) The foregoing information is presented as of August 31, 2014.

(2) Represents the Option Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options (12,076,487 options as at August 31, 2014).

For further information on the Option Plan, refer to the heading "Re-Approval of Rolling Stock Option Plan."

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

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

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

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended August 31, 2014, none of:

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

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

### **MANAGEMENT CONTRACTS**

Management functions of the Company and any subsidiary thereof are not, to any substantial degree, performed other than by directors or executive officers of the Company or any subsidiary thereof.

### **FINANCIAL STATEMENTS AND COPIES OF MEETING MATERIALS**

The audited financial statements of the Company as at and for the period ended August 31, 2014 (the "Financial Statements"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, are being mailed only to those Shareholders on the supplemental mailing list maintained by the Company's registrar and transfer agent. Copies of the Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, Notice of Meeting, Circular and Proxy will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and at the Company's registered and records office at 1600 – 609 Granville Street, Vancouver, BC, V7Y 1C3.

### **ELECTION OF DIRECTORS**

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at five (5). Unless a proxy contains express instruction to vote otherwise, it is intended that all proxies received will be voted in favour of fixing the number of Directors at five (5).

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company. Although Management is nominating five (5) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for Management's nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

### **Information Concerning Nominees Submitted By Management**

The following table sets out required information regarding the persons nominated by Management for election as a Director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

<b>Name, Province and Country of ordinary residence<sup>(1)</sup>, and positions held with the Company</b>	<b>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years<sup>(1)</sup></b>	<b>Date(s) serving as a Director</b>	<b>No. of shares beneficially owned or controlled<sup>(1)</sup></b>
ROBERT WARES Quebec, Canada President, CEO	Served in various capacities for Osisko Mining Corporation, including Executive VP and Chief Operating Officer, Executive VP Exploration & Resources Development and Chief Geologist	new nominee	Nil common shares
MICHAEL IVERSON British Columbia, Canada Executive VP Business Development, Director <sup>(2)</sup>	Businessman; President of Triple K Ventures Ltd.	since Jan. 28, 1998	1,629,000 common shares
PETER HAWLEY British Columbia, Canada Director	President and CEO of Scorpio Gold Corporation; Chairman of Scorpio Mining Corporation	Feb. 22, 2002 to Sept. 15, 2003;  since May 10, 2012	200,000 common shares

Name, Province and Country of ordinary residence <sup>(1)</sup> , and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years <sup>(1)</sup>	Date(s) serving as a Director	No. of shares beneficially owned or controlled <sup>(1)</sup>
SEAN ROOSEN Ontario, Canada Director	Chairman and CEO of Osisko Gold Royalties Ltd.; former President and CEO of Osisko Mining Corporation	since August 27, 2014	Nil <sup>(2)</sup> common shares
BRYAN COATES Quebec, Canada Proposed Director	President of Osisko Gold Royalties Ltd.; former VP Finance and CFO of Osisko Mining Corp. from 2007 to June 2014.	new nominee	Nil <sup>(2)</sup> common shares

(1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) Does not include common shares held by Osisko Gold Royalties Ltd., a company of which the named individual serves as a director and/or officer. See "Record Date, Voting Shares & Principal Holders Thereof".

The Company does not currently have an Executive Committee of its Board of Directors. The current audit committee is comprised of Messrs. Mike Iverson, Peter Hawley and Toby Lim. The current compensation committee is comprised of Messrs. Iverson and Lim. Following the Meeting, at which Mr. Lim is not standing for re-election, it is expected that Mr. Bryan Coates will replace Mr. Lim on both committees.

### **Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

For purposes of the disclosure in this section, an "order" means 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, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to the directors or executive officers of the relevant company that was in effect for a period of more than 30 consecutive days.

Other than disclosed below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this 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;
- (c) has, within the 10 years before the date of this 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;
- (d) 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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Robert Wares was a director of Wildcat Silver Corporation when it requested a management cease trade order (the "MCTO") in connection with the late filing of its audited annual consolidated financial statements for the fiscal year ending June 30, 2007, which MCTO was issued by the British Columbia Securities Commission on October 30, 2007. Wildcat Silver's failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made in the United States. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

Davidson & Company LLP, Chartered Accountants, were appointed as the Company's Auditors as of June 1, 2010. Management recommends, and the persons named in the accompanying form of proxy intend to vote in favour of, the re-appointment of Davidson & Company LLP, Chartered Accountants as Auditors for the Company, to hold office until the next Annual General Meeting of the shareholders at a remuneration to be fixed by the Board of Directors. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the re-appointment.

### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

#### **I. Re-Approval of Stock Option Plan and Amendment**

At last year's annual general meeting, the Company proposed and its shareholders re-approved a 10% "rolling" stock option plan. Under the policies of the TSX Venture Exchange (the "Exchange"), a rolling stock option plan must be re-approved on a yearly basis by shareholders. In addition, the Exchange has updated its policies to provide for a minimum exercise price of \$0.05. Accordingly, shareholders will be asked to pass an ordinary resolution adopting and re-approving the Company's "rolling" stock option plan together with amendments to allow a minimum exercise price of \$0.05 and such other amendments as may be permitted by the policies of the Exchange (the "Amended Option Plan"). The details of the Amended Option Plan are set forth below.

- the Amended Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time, with no mandatory vesting provisions (apart from options granted to Consultants performing Investor Relations Activities, see below);
- the number of Common Shares reserved for issue to any one person in any 12 month period under the Amended Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Amended Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the aggregate number of Common Shares reserved for issue to any person employed to provide Investor Relations Activities in any 12 month period under the Amended Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period;
- the exercise price per Common Share for a stock option may not be less than the Discounted Market Price of the Common Shares at the time of the grant;
- stock options may have a term not exceeding ten years;
- stock options will cease to be exercisable 30 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or such longer period not exceeding 12 months as may be determined by the board of directors of the Company;
- stock options are non-assignable and non-transferable;

- the Amended Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares;
- upon the occurrence of an Accelerated Vesting Event (as defined in the Amended Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option, if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Common Shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event, with the determination of the Board in respect of any such Accelerated Vesting Event for the purposes of the Option Plan being final, conclusive and binding; and
- in connection with the exercise of an option, as a condition to such exercise, the Company shall require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option.

"Consultant", "Director", "Employee", "Investor Relations Activities", "Management Company Employee", "Discounted Market Price" and "Eligible Charitable Organization" all have the same definition as in the policies of the Exchange. Pursuant to the Board's authority to govern the implementation and administration of the Amended Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Amended Option Plan.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the adoption and approval of the Amended Option Plan. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the adoption and approval of the Amended Option Plan.

## **II. Approval of Amendment to the Company's Articles to Implement Advance Notice Provisions**

### **Background**

The Board has determined that it would be appropriate and in the best interests of the Company to implement a requirement for advance notice in connection with the election of directors and amend the Company's current articles to include advance notice provisions ("**Advance Notice Provisions**"). The following is a summary of the proposed Advance Notice Provisions and is subject to the full text of the Advance Notice Provisions reproduced in Schedule "C" to this Circular.

### **Purpose of the Advance Notice Provisions**

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provisions are the framework pursuant to which the Company fixes a deadline by which holders of record of common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the nomination notice to be in proper written form.

### **Effect of the Advance Notice Provisions**

Subject to the *Business Corporations Act* (British Columbia) ("**BCA**"), the Advance Notice Provisions incorporated into the Company's Articles provide that only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made with respect to any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

1. by or at the direction of the board, including pursuant to a notice of meeting;
2. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or
3. by any person (a "Nominating Shareholder"):
  - (a) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
  - (b) who complies with the notice procedures set forth below.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

- in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth the name, age, business address, residential address and principal occupation or employment of the proposed nominee, and the security holdings of the Company which are controlled or which are owned beneficially or of record by the person. In addition, the notice by the Nominating Shareholder must also disclose any other information relating to the proposed nominee as well as any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCA.

The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of the Advance Notice Provisions, notice given to the Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery, facsimile transmission or by email (at

such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The Advance Notice Provisions applies to the Company so long as the Company is a public company.

A complete copy of the proposed new Article 25 incorporating the Advance Notice Provisions is reproduced in Schedule "C" to this Circular. A complete copy of the Company's proposed Articles, as amended, may be inspected at the registered office of the Company, at Suite 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3 during normal business hours and at the Meeting. In addition, a complete copy of the proposed Articles, as amended, will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Corporate Secretary of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Corporate Secretary.

In order to implement the Advance Notice Provisions, the Shareholders of the Company will be asked to consider and, if thought fit, pass an ordinary resolution (the "**Advance Notice Resolution**"), with or without variation, to amend the Company's current Articles, the text of which is attached as Schedule "C" to this Circular. If the Advance Notice Resolution is passed, the amendment to the Articles will become effective on the date and time that the resolution is received for deposit at the Company's records office, which the Company anticipates will be immediately after the Meeting.

Approval of the Advance Notice Provisions requires the approval of the Shareholders by ordinary resolution, being not less than one-half of the votes cast by Shareholders on the Advance Notice Resolution. If the Advance Notice Resolution is not approved by the requisite number of Shareholders, the Articles will not be amended.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the Advance Notice Resolution. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the Advance Notice Resolution.

### **III. Other Matters**

As of the date of this circular, management knows of no other matters to be acted upon at this Annual General Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at 24549 – 53rd Avenue, Langley, BC, V2Z 1H6 to request copies of the Company's Financial Statements and Management Discussion and Analysis in electronic format, which will be sent by email without charge.

### **DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

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

*"Michael Iverson"*

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Michael Iverson  
Executive Vice President and Director



**SCHEDULE "A"**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

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**Item 1: The Audit Committee Charter**

***Purpose***

The overall purpose of the Audit Committee (the "Committee") of NIOGOLD MINING CORP. (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

***Composition, Procedures and Organization***

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### ***Roles and Responsibilities***

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

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

- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
  - (i) the annual report to Shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board,

and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Company's financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies, if any;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

5. The Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee; and
- (c) to communicate directly with the internal and external auditors.

### **Item 2: Composition of The Audit Committee**

The current members of the Committee are Messrs. Iverson, Hawley and Lim. A member of the audit committee is considered financially literate if the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company. A member of the audit committee is considered independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of the directors, reasonably interfere with the exercise of a member's independent judgment.

All of the current members are considered financially literate. In the Board's view, Messrs. Hawley and Lim are considered independent. Mr. Lim is an associate lawyer at Anfield Sujir Kennedy & Durno LLP, legal counsel to the Company, but this is not considered a material relationship to the Company.

### **Item 3: Relevant Education And Experience**

The members of the Audit Committee have acted as directors or officers of various public companies which has provided them with experience relevant to their performance of their responsibilities as Audit Committee members. All members have an understanding of the accounting principles used by the Issuer to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

From 1980 to present, Mr. Iverson has acted as President and a director of Triple K Ventures Ltd., a private investment and management company, and has held directorships and executive officer positions with several public companies, including but not limited to the following junior resource companies:

<b>Name of Issuer</b>	<b>Additional Detail</b>	<b>Position</b>	<b>Date</b>
Niogold Mining Corp.	junior mining company listed on TSXV	Director Chair Secretary CEO President	Jan. 1998 to present Jan. 1998 to Dec. 2002 Feb 2009 to Dec 2012 Dec. 2002 to Feb 2006 Jan. 1998 to Dec. 2002 Feb 2006 to present Feb. 2006 to Feb. 2009 May 2012 to present
Fortuna Silver Mines Inc. <sup>(1)</sup>	junior mining company listed on TSXV	Director Chair and CEO Secretary	Mar. 1998 to present Mar. 1998 to Jan. 2005 Jan. 2000 to Jan. 2005
Northland Resources Inc. <sup>(2)</sup>	junior mining company listed on TSXV	Director President and CEO	June 2001 to Nov. 2003 June 2001 to May 2003
Urex Energy Corp. <sup>(3)</sup>	U.S. OTCBB	Director	Mar. 2002 to Nov. 2006
Volcanic Metals Corp.	junior mining company listed on TSX-V	Director President Secretary CEO President and CEO	Apr. 2007 to present July 2007 to Feb. 2010 July 2007 to Feb. 2010 July 2007 to Oct. 2010 Jan. 2012 to present
Comstock Metals Ltd. <sup>(4)</sup>	capital pool company listed on TSX-V	Director	Dec. 2007 to Aug. 2011

(1) formerly Fortuna Ventures Inc.

(2) formerly North American Gold Inc.

(3) *formerly Lakefield Ventures Inc.*

(4) *formerly Tectonic Minerals Corporation.*

Mr. Hawley is the President and CEO of Scorpio Gold Corporation and the Chairman of Scorpio Mining Corporation, as well as a director of Castle Peak Mining Ltd., all of which are public companies.

Mr. Lim is currently, and has been since 1998, an associate lawyer practicing corporate and securities law at Anfield Sujir Kennedy & Durno LLP, a Vancouver based law firm. He has held directorships and officer positions with several public companies. Mr. Lim also holds a Bachelor of Commerce degree with honors from the University of British Columbia.

#### **Item 4: Audit Committee Oversight**

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

#### **Item 5: Reliance On Certain Exemptions**

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

#### **Item 6: Pre-Approval Policies And Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

#### **Item 7: External Auditor Service Fees (By Category)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years is as follows:

	<b>FYE 2014</b>	<b>FYE 2013</b>
Audit fees for the year ended	\$ 27,750	\$30,000
Audit related fees	nil	nil
Tax fees	nil	11,350
All other fees (non-tax)	nil	nil
Total Fees:	\$ 27,750	\$41,350

#### **Item 8: Exemption**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

**SCHEDULE "B"**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**  
**(VENTURE ISSUERS)**

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices the Company is required to and hereby discloses its corporate governance practices as follows.

**Item 1: Board Of Directors**

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

A director is considered independent if the director has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

<b>Director</b>	<b>Independence</b>
Michael Iverson	Not independent, as he is the Executive Vice President, Business Development and the former President & CEO of the Company
Toby Lim	Independent <sup>(1)</sup>
Peter Hawley	Independent
Simon Ridgway	Independent
Sean Roosen	Independent
John Burzynski	Independent

(1) Mr. Lim is an associate lawyer at Anfield Sujir Kennedy & Durno LLP, legal counsel to the Company, but this is not considered to be a material relationship to the Company.

**Item 2: Directorships**

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

<b>Name</b>	<b>Other Reporting Issuer</b>
Michael Iverson	Fortuna Silver Mines Inc. Volcanic Metals Corp.
Toby Lim	Wasco Capital Inc.
Peter Hawley	Scorpio Mining Corporation Scorpio Gold Corporation Castle Peak Mining Ltd.
Simon Ridgway	Cordoba Minerals Corp. Focus Ventures Ltd. Fortuna Silver Mines Inc. Medgold Resources Corp. Rackla Metals Inc. Radius Gold Inc.
Sean Roosen	Astur Gold Corporation Bowmore Exploration Ltd. Condor Petroleum Inc. Dalradian Resources Inc. Falco Pacific Resources Inc. Osisko Gold Royalties Ltd.

Name	Other Reporting Issuer
John Burzynski	Oban Mining Corporation Condor Petroleum Inc. Osisko Gold Royalties Ltd.

### **Item 3. Orientation And Continuing Education**

The Board of Directors of the Company does not currently have formal procedures or a program for the orientation of new board members, or for the continuing education of board members. Inquiries are handled by the Board on a case by case basis with outside consultation, if required.

### **Item 4: Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Board expects and encourages management to operate in a manner that enhances shareholders value and is consistent with the highest levels of integrity. The Board encourages open discussion regarding any perceived or potential ethical issues.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Item 5: Nomination Of Directors**

The Board of Directors as a whole is responsible for identifying individuals qualified to become new Board members and recommending to the Board the names of new director nominees for the next annual meeting of the shareholders.

New nominees are sought out or are recommended based on a perceived or potential requirement for particular or general knowledge or skills. In general, nominees would ideally have a track record in general business management, have special expertise in an area of knowledge which is of interest to the Company, have the ability to devote the time required, be knowledgeable of and support the Company's mission and strategic objectives, and have a willingness to serve.

### **Item 6: Compensation**

The Board of Directors intends to conduct a review with regard to directors' compensation and thereafter review such compensation once a year. In reviewing directors' compensation, the Board of Directors will take into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies, and the particular circumstances of the Company.

### **Item 7: Other Board Committees**

The Board of Directors has, in addition to the Audit Committee, a Compensation Committee comprised of Messrs. Iverson and Lim.

**Item 8: Assessments**

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the effectiveness of the board, its committees and individual directors by periodically discussing and critiquing any perceived issues or weaknesses and giving appropriate feedback to management or directors as the case may be.



## **SCHEDULE "C"**

### **ADVANCE NOTICE RESOLUTION**

WHEREAS the Company wishes to amend its articles and to add certain provisions to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors and to provide a framework under which a deadline is fixed by which holders of record of common shares of the Company must submit written director nominations to the Company prior to any annual or special meeting of shareholders and to set forth the information that a shareholder must include in the written nomination notice to the Company in order for that notice to be in proper written form.

**NOW THEREFORE BE IT RESOLVED** that:

The Company is hereby authorized to amend the Articles of the Company by adding the following provision to the Articles of the Company as Article 25:

#### **25. ADVANCE NOTICE PROVISIONS**

##### **25.1 Nomination of Directors**

(1) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:

- (a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act (British Columbia) (the "BCA"), or a requisition of the shareholders made in accordance with the provisions of the BCA; or
- (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 25.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 25.1.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Secretary of the Company at the principal executive offices of the Company.

(3) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:

- (a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this paragraph (3).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any

adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

(4) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below).

(5) The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(6) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 25.1; provided, however, that nothing in this Article 25.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the BCA or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 25.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.

(7) For purposes of this Article 25:

- (a) "**Annual Meeting**" means any annual meeting of Shareholders;
- (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;
- (c) "**BCA**" means the Business Corporations Act (British Columbia), as amended;
- (d) "**Board**" means the board of directors of the Company as constituted from time to time;
- (e) "**Common Shares**" means common shares in the capital of the Company;
- (f) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com);
- (g) "**Shareholder**" means a holder of Commons Shares; and
- (h) "**Special Meeting**" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.

(8) Notwithstanding any other provision of this Article 25.1, notice given to the Secretary of the Company pursuant to this Article 25.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 25.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

## **25.2 Application**

Article 25.1 does not apply to the Company in the following circumstances:

- (a) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or
- (b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.