

NOTICE OF ANNUAL GENERAL MEETING – AUGUST 31, 2018

MACARTHUR MINERALS LIMITED

ACN 103 011 436

Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of Macarthur Minerals Limited ACN 103 011 436 (the “**Company**”) will be held at the offices of Nexia Brisbane at Level 28, 10 Eagle Street, Brisbane, Queensland, Australia on Friday, August 31, 2018 commencing at 10:00 a.m. (Australian Eastern Standard Time).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS & REPORTS

To receive and consider the Australian statutory report of the directors and the Australian and Canadian financial reports of the Company and its controlled entities for the year ended March 31, 2018 together with the Auditors’ reports thereon.

1. ELECTION OF DIRECTOR – ALAN JOSEPH PHILLIPS

To consider and, if thought fit, to pass the following **ordinary resolution**:

“That Alan Joseph Phillips, who retires in accordance with the clause 18.3 (a) of the Company’s Constitution, and being eligible, be elected as a director of the Company in accordance with clause 18.3(a) of the Company’s Constitution.”

2. ELECTION OF DIRECTOR – EARL EVANS

To consider and, if thought fit, to pass the following **ordinary resolution**:

“That Earl Evans, who retires in accordance with the clause 18.3 (a) of the Company’s Constitution, and being eligible, be elected as a director of the Company in accordance with clause 18.3(a) of the Company’s Constitution.”

3. RE-ELECTION OF DIRECTOR – DAVID LENIGAS

To consider and, if thought fit, to pass the following **ordinary resolution**:

“That David Lenigas, who retires by rotation in accordance with clause 18.6 of the Company’s Constitution, and being eligible, be re-elected as a director of the Company in accordance with clause 18.8(a)(2) of the Company’s Constitution.”

4. RE-ELECTION OF DIRECTOR – ALAN SPENCE PHILLIPS

To consider and, if thought fit, to pass the following **ordinary resolution**:

“That Alan Spence Phillips who retires in accordance with the clause 18.7(a) of the Company’s Constitution, and being eligible, be re-elected as a director of the Company in accordance with clause 18.8(a)(2) of the Company’s Constitution.”

5. RE-ELECTION OF DIRECTOR – CAMERON MCCALL

To consider and, if thought fit, to pass the following **ordinary resolution**:

“That Cameron McCall, who retires in accordance with clause 18.7(a) of the Company’s Constitution, and being eligible, be re-elected as a director of the Company in accordance with clause 18.8(a)(2) of the Company’s Constitution.”

6. APPOINTMENT OF CANADIAN AUDITOR

To consider and, if thought fit, pass the following **ordinary resolution**:

“That, Davidson & Company LLP Chartered Accountants, be re-appointed as Canadian auditors of the Company for the 2018-2019 financial year at a remuneration to be fixed by the directors.”

7. APPROVAL OF FIXED 20% EMPLOYEE SHARE COMPENSATION PLAN AND CONSULTANT SHARE COMPENSATION PLAN

To consider and, if thought fit, pass the following **ordinary resolution**, with or without amendment:

*“The employee share compensation plan and the consultant share compensation plan of the Company (the **“Share Compensation Plans”**) to fix the maximum number of common shares of the Company that may be issued under the Share Compensation Plans at 20% of the number of common shares of the Company issued and outstanding, as of the effective date of the Share Compensation Plans, as described in the Information Circular dated July 25, 2018 (the **“Information Circular”**) are hereby approved, subject to the Company obtaining all required approvals from the TSX-V and any other regulatory authorities;*

- 1. any unallocated entitlements under the Share Compensation Plans are approved and the Company is authorized to grant entitlements under the Share Compensation Plans; and*
- 2. any director or officer of the Company is hereby authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”*

8. INCREASE NUMBER OF COMMON SHARES THAT MAY BE ISSUED TO INSIDERS UNDER THE SHARE COMPENSATION PLANS

If resolution 7 is passed, to consider and, if thought fit, pass the following **ordinary resolution** of **disinterested shareholders**, with or without amendment:

“

- 1. The Share Compensation Plans, as described in the Information Circular be amended to increase the aggregate number of common shares of the Company that may be issued under the Share Compensation Plans that can be issued for RSUs, Bonus Shares and SPS from 15,000,000 at any point in time, including to insiders to 20,000,000 at any point in time, including to insiders; and*
- 2. any director or officer of the Company is hereby authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”*

DATED this 25th day of July, 2018.

By Order of the Board

“Nicola Ingram”

Nicola Ingram

Company Secretary

Notes:

- (a) The record date for determining shareholders entitled to receive this Notice of Meeting and Information Circular is 7:00 a.m. on Wednesday, August 1, 2018 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m (Pacific Daylight Time) on Tuesday, July 31, 2018 as (**“Notice Record Date”**). Shareholders who are registered on the Company’s register of members on the Notice Record Date or by 7:00 a.m. Thursday, August 30, 2018 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m. (Pacific Daylight Time) on Wednesday August 29, 2018 (**“Final Record Date”**)

are entitled to attend and cast a vote at the Meeting. All registered shareholders who are unable to attend the Meeting in person are entitled to appoint a person to act as their proxy.

- (b) A registered shareholder that is a corporation must elect to appoint a representative in accordance with section 250D of the *Corporations Act 2001 (Cth)* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return a proxy form in accordance with the directions set out in the attached Information Circular.
- (d) The proxy need not be a shareholder of the Company. A registered shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed by one shareholder neither of them will be entitled to vote on a show of hands at the Meeting.
- (e) Shareholders may beneficially own shares that are registered in the name of a nominee (such as a broker, another intermediary or an agent of that broker or intermediary) ("**Non-Registered Shareholders**"). Without specific instructions, nominees are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you, your nominee or its agent is returned according to the instructions provided in or with such form, sufficiently in advance of the deadline specified, to ensure that they are able to provide voting instructions on your behalf.
- (f) With respect to Resolution 8, the Company will disregard any votes cast by insiders to whom shares under the Share Compensation Plans may be issued or their associates.
- (g) If you have any queries on how to cast your votes then call Ms. Nicola Ingram on (07) 3221 1796 (Australia local) or +61 7 3221 1796 (internationally) during Australian business hours.
- (h) The Company's financial statements and reports, are available on SEDAR at www.sedar.com or on the Company's website at www.macarthurminerals.com.

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MANAGEMENT INFORMATION CIRCULAR

July 25, 2018

MACARTHUR MINERALS LIMITED
ACN 103 011 436
FOR THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This management information circular ("**Information Circular**") is furnished to shareholders ("**Shareholders**") of Macarthur Minerals Limited ("**Macarthur**" or the "**Company**") in order to explain the resolutions (the "**Resolutions**") to be put to Shareholders at the Annual General Meeting of the Company ("**Meeting**") to be held on Friday August 31, 2018 in Brisbane, Australia at 10:00 a.m. (Australian Eastern Standard Time) and at any adjournments thereof. The directors recommend Shareholders to read the accompanying Notice of Meeting and this Information Circular in full before making any decision in relation to the Resolutions.

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

All dollar amounts are stated in Australian dollars unless specified otherwise. Information contained in this Information Circular is as at July 25, 2018 unless indicated otherwise.

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

VOTING ENTITLEMENTS

The directors of the Company have set 7:00 a.m. on Wednesday, August 1, 2018 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m. (Pacific Daylight Time) on Tuesday, July 31, 2018 as the record date for determining Shareholders entitled to receive this Notice of Meeting and Information Circular ("**Notice Record Date**"). Shareholders who are registered on the Company's register of members on the Notice Record Date or by 7:00 a.m. Thursday August 30, 2018 (Australian Eastern Standard Time) or 5:00 p.m. (Eastern Daylight Time) or 2:00p.m. (Pacific Daylight Time) on Wednesday, August 29, 2018 ("**Final Record Date**") are entitled to vote at the Meeting ("**Registered Shareholders**"). Accordingly, all Registered Shareholders not appearing on the Company's register of members on the Notice Record Date or by the Final Record Date will be disregarded in determining entitlements to attend and vote at the Meeting.

SOLICITATION OF PROXIES

This Information Circular is also furnished in connection with the solicitation of proxies by management ("**Management**") for use at the Meeting. Any solicitation by Management will be conducted by mail or e-mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company and such cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXY HOLDER – REGISTERED SHAREHOLDER

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

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

A Proxy Holder's appointment will not be valid unless the completed proxy form is delivered to an address set out below by **7:00 a.m. on Wednesday, August 29, 2018 (Australian Eastern Standard Time) or Tuesday, August 28, 2018 at 5:00 pm (Eastern Daylight Time) or 2:00 p.m. (Pacific Daylight Time)** or not less than 48 hours before any adjournment of the Meeting ("**Proxy Cut-off Time**"). Proxy forms delivered after that time will not be accepted.

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

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

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

VOTING BY PROXY

Direction on how to vote

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

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

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

No Direction on how to vote - General

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

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

NON-REGISTERED HOLDERS

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

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

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

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

A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of shares must be communicated to Broadridge) well in advance of the Proxy Cut-off Time in order to have the shares voted.

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

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

REVOCABILITY OF PROXY

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

- In **Canada**: at any time up to **5:00 p.m. Tuesday, August 28, 2018 (Eastern Daylight Time)** by hand or by post to Computershare Investor Services Inc., 100 University Avenue, 8th Floor Toronto, ON, M5J 2Y1, Canada, or facsimile to 1-866-249-775 (Toll Free North America); +1-416-263-9524 (International) or via email on service@computershare.com;
- In **Australia**: at any time up to **5:00 p.m. (Australian Eastern Standard Time) on the last business day preceding the day of the Meeting** (or if adjourned, any reconvening thereof) to the head office of the Company, at Level 20, 10 Eagle Street, Brisbane, Queensland, Australia, or posted to P.O. Box 7031, Brisbane, Queensland, 4000, Australia, facsimile to 07 3221 6152 or +617 3221 6152 (if sent from overseas) or via email on communications@macarthurminerals.com; **or**
- to the Chairman on the day of the Meeting (or if adjourned, any reconvening thereof); or in any other manner provided by law.

A revocation of a proxy form does not affect any matter on which a vote has been taken prior to the revocation. Only Registered Shareholders have the right to revoke a proxy form. Non-Registered Shareholders who wish

to change their vote must in sufficient time in advance of the Meeting, arrange for the respective Nominee to revoke their proxy form on their behalf.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein:

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of ordinary (common) shares without par value of which 242,301,414 shares were issued and outstanding on July 25, 2018. The holders of common shares are entitled to one vote for each common share held.

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

Name	No. of Common Shares Owned or Controlled	Percentage of Outstanding Common Shares
Cadence Minerals plc	30,000,000	12.38%

PARTICULARS OF MATTERS TO BE ACTED UPON

There are nine (9) items of business on the agenda for the Meeting, and eight (8) items to be acted upon.

1. FINANCIAL STATEMENTS & REPORTS

The Corporations Act and Canadian regulations require that the reports of the directors, the auditors' reports and the financial reports of the Company and its controlled entities for the year ended March 31, 2018 be laid before the Meeting. A copy of the reports will be provided to Shareholders who have requested a copy, filed on SEDAR and available on the Company's website (www.macarthurminerals.com). Neither the Corporations Act, Canadian regulations, nor the Company's Constitution requires a vote of Shareholders at the Meeting on such reports or statements. However, Shareholders will be given an opportunity to raise questions with respect to these reports and statements at the Meeting.

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

2. ELECTION OF DIRECTORS (RESOLUTIONS 1 – 5)

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

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

receive a majority of votes against, they will not be re-elected and their position on the board will cease in accordance with the Company's Constitution.

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

Information on the directors is as follows:

Name & Position ⁽¹⁾	Principal Occupation or Employment during the past 5 years	Period of Service as an Officer or Director	Number of Shares, RSUs and Options ⁽³⁾
<p>Alan Joseph ("Joe") Phillips</p> <p>Executive Director, CEO</p> <p>Queensland, Australia</p>	<p>Mr Phillips was appointed as Executive Director on 11 October 2017 and on October 24, 2017 was appointed as CEO.</p> <p>Mr Phillips was previously the Company's CEO and was responsible for the original funding and development of the Company's significant iron ore assets, having completed its 2012 Prefeasibility Study for the Ularring Hematite Project and obtaining environmental approvals. Educated at the University of Queensland he combines strong project management skill with a discipline in economics and a detailed understanding of the operation of public administrations and the elected governments in Australia.</p>	<p>Executive Director on October 11, 2017 and CEO on October 24, 2017</p>	<p>3,138,77 shares</p> <p>2,352,941 RSUs</p> <p>2,000,000 options</p>
<p>Earl Evans⁽²⁾</p> <p>Non- Executive Independent Director</p> <p>New South Wales, Australia</p>	<p>Mr Evans was appointed as Independent Director on February 5, 2018.</p> <p>Mr Evans has held a range of management and executive roles throughout his 23 year career within the Financial Services industry. He has extensive experience as an investment banking executive including as Executive Director within the Macquarie Group Limited for 11 years spending the last 5 years in Canada as head of Banking and Financial Services for North America. Mr Evans has significant previous experience as a board director and has vast international and Australian based business expertise and relationships. Mr Evans is currently a Director and Head of the Wealth Management of Shaw and Partners.</p>	<p>Non-Executive Independent Director, appointed February 5,2018</p>	<p>1,500,000 shares</p> <p>250,000 RSUs</p> <p>Nil options</p>
<p>David Lenigas⁽²⁾</p> <p>Independent Director</p> <p>London, UK</p>	<p>Mr Lenigas was appointed as Independent Director on July 11, 2016.</p> <p>Mr Lenigas is a Mining Engineer, with extensive experience in the lithium business, having retired as the Executive Chairman of Cadence Minerals plc (AIM: KDNC) ("Cadence"). Cadence is a London listed Investment Company, which has a number of strategic investments in lithium projects around the world. Mr Lenigas is Executive Chairman of LGC Capital Ltd listed on the TSX-V (TSX-V:QBA). In addition, he is the Executive Chairman of a bespoke agri-logistics company; London listed AfriAg plc (ISDX: AFRI) and Executive Chairman of UK oil company, Doriemus plc (ISDX: DOR). He is also director of ASX listed companies, Southern Hemisphere Mining (ASX:SUH) and Artemis Resources Limited (ASX:ARV).</p>	<p>Independent Director, appointed July 11, 2016.</p> <p>Re-elected for a further term in 2017.</p>	<p>Nil shares</p> <p>250,000 RSUs</p> <p>4,000,000 options</p>

Name & Position ⁽¹⁾	Principal Occupation or Employment during the past 5 years	Period of Service as an Officer or Director	Number of Shares, RSUs and Options ⁽³⁾
<p>Alan Spence Phillips Non-Executive Director</p> <p>Queensland, Australia</p>	<p>Mr Alan Phillips was appointed to the board on October 19, 2005. Mr Phillips was President and CEO of the Company from August 31, 2009 until his resignation from those positions on April 28, 2015. Mr Phillips continued as Executive Director until December 31, 2016. Mr Phillips continues as a Non-Executive, Non-Independent Director.</p> <p>Mr Phillips has been a senior executive, director and chairman of ASX, TSX-V, TSX and AIM listed companies over a period of 40 years. Mr Phillips specialises in start up and turnaround companies across a broad range of industries, but predominantly in the mining and exploration of copper, gold, ethanol and iron ore and technology sectors.</p>	<p>Non-Executive Director, January 1, 2017.</p> <p>Re-elected for a further term in 2017.</p>	<p>Nil shares Nil RSUs 3,131,08 options</p>
<p>Cameron McCall⁽²⁾ Non-Executive Independent Director</p> <p>Queensland, Australia</p>	<p>Mr McCall was appointed as Independent Director on April 28, 2015, Non-Executive Independent Chairman on December 3, 2015 and Executive Chairman on October 17, 2017.</p> <p>Mr McCall has a wealth of experience across the financial services and commercial property industries within Australia and internationally. He has been providing investment, equity capital raising and share trading advice for over 17 years to corporate entities and private clients at Hartleys Limited and Macquarie Bank Limited. Mr McCall has during his 40 year career built an extensive network of international and Australian based high net worth individuals and corporate entities. Mr McCall is currently running a corporate advisory business providing advice on asset acquisition and capital raising to international and Australian based organisations.</p>	<p>Non-Executive Independent Director, appointed April 28, 2015 and Executive Chairman on October 17, 2017.</p> <p>Re-elected for a further term on 2017.</p>	<p>3,176,471 shares 2,352,941 RSUs 3,720,000 options</p>

Notes:

1. The information as to place of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.
2. Member of Audit Committee, Mr. Lenigas is the Chair.
3. Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at July 25, 2018, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

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

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

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

- (c) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual; or
- (e) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Directors' Recommendation

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

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

3. APPOINTMENT OF CANADIAN AUDITOR (RESOLUTION 6)

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

Under Australian law, the Company's corporate auditors, Nexia Audit Brisbane Pty Ltd, were appointed by Shareholders in 2014 and do not require re-appointment every year at the annual general meeting.

Directors' Recommendation

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

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

4. APPROVAL OF A FIXED 20% EMPLOYEE SHARE COMPENSATION PLAN AND CONSULTANT SHARE COMPENSATION PLAN (RESOLUTION 7)

Background

The Company currently has two incentive plans, the Employee Share Compensation Plan and the Consultant Share Compensation Plan (collectively the "**Current Share Compensation Plans**"). The Current Share Compensation Plans were accepted by TSX-V, and approved by Shareholders at the Company's AGM held on August 31, 2017. When the Current Share Compensation Plans were drafted the Company sought extensive Australian and Canadian legal advice, tax advice and consulted closely with the TSX-V.

The Company is proposing to renew the fixed maximum number of common shares of the Company that may be issued under the Current Share Compensation Plans at 20% of the number of common shares of the Company issued and outstanding as of the effective date of the Share Compensation Plans (i.e. on the approval

at this Meeting). As at the date of this Information Circular, the Company has on issue 242,301,414 common shares (collectively, the “**Share Compensation Plans**”).

All other terms of the Share Compensation Plans remain unchanged.

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

Pursuant to Policy 4.4 of the TSX Venture Exchange Manual (“**Manual**”), any amendment to the Share Compensation Plan requires shareholder approval. In the event that Resolution 7 is not approved by Shareholders at this Meeting, Shareholders, the Company’s Current Share Compensation Plan will continue to be in effect.

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

Australian Corporations Act Requirements

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

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

The Employee Share Compensation Plan relies on relief from prospectus level disclosure pursuant to ASIC Class Order 14/1001 and/or ASIC Class Order 1001 and the Consultant Share Compensation Plan on general disclosure exemptions.

The two plans currently have an aggregate limit of 20% of issued capital as of the effective date of the Current Share Compensation Plans, being August 31, 2017.

Summary of the Share Compensation Plans

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

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

Purpose of the Share Compensation Plans and Participants

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

- (a) ensuring that the interests of directors, officers, employees and consultants are aligned with the success of the Company;

- (b) encouraging share ownership by such persons; and
- (c) providing compensation opportunities to attract, retain and motivate such persons.

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

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

Administration of the Share Compensation Plan

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

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

Number of Shares Available for Issuance under the Share Compensation Plan

The number of shares available for issuance from the treasury under the Share Compensation Plan must not at any time exceed 20% of the number of common shares of the Company issued and outstanding as of the effective date of the Share Compensation Plans (i.e. on the approval at this Meeting), currently expected to be 242,301,414. These limits do not apply to shares purchased from the market under the SPS.

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

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

- (a) the number of shares issuable from treasury to insiders cannot exceed 20% of the shares then outstanding;
- (b) the number of shares issued from treasury to insiders within any one-year period cannot exceed 20% of the shares then outstanding;
- (c) the number of shares issued from treasury to any one person at any time cannot exceed 10% of the shares then outstanding within any one-year period;
- (d) the number of shares issued to any one consultant at any time cannot exceed 2% of shares then outstanding, within any one-year period;
- (e) the number of shares issued to all persons that provide investor relations activities at any time cannot exceed 2% of shares then outstanding, within any one-year period;
- (f) the aggregate number of Common Shares issued for RSUs, Bonus Shares; and the SPS cannot exceed in the issuance of 15,000,000 at any point in time, including to insiders (however refer to proposed Resolution 8).

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

Restricted Share Units

(a) Mechanics for RSUs

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

(b) Vesting Provisions

The Share Compensation Plans provide that:

- (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs;
- (ii) vesting of RSUs may include criteria such as time vesting criteria or performance vesting;
- (iii) RSUs with time vesting criteria would, at a minimum (i.e. as the least restrictive criteria), vest in respect 33 ¹/₃ % of the shares subject to RSUs on the first day after each of the first three anniversaries of the award date of such RSUs;
- (iv) RSUs with performance vesting criteria would, at a minimum (i.e. as the least restrictive criteria), vest on the first day after the first achievement of vesting criteria as determined by the Administrators.

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

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

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

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

(d) Other Terms

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

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

Under the Share Compensation Plans, all unvested RSUs shall vest on occurrence of a "Change of Control". A "Change of Control" means: (i) the acceptance of a bona fide arm's length offer made to all holders of voting shares in the capital of the Company to purchase, directly or indirectly, voting shares in the capital of the Company (an "Offer") by a sufficient number of holders of voting shares in the capital of the Company to constitute the offeror, together with persons acting jointly or in concert with the offeror, a Shareholder of the Company being entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Company (provided that prior to the Offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Company), (ii) the completion of a consolidation, merger or amalgamation of the Company with or into any other corporation whereby the voting Shareholders of the Company immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation, (iii) the completion of a sale whereby all or substantially all of the Company's undertakings and assets become the property of any other entity and the voting Shareholders of the Company immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale, (iv) a change in the composition of a majority of the board within a 60 day period as a result of a Shareholder (alone or collectively with other Shareholders) being able to exert control or influence over the composition of the Board, and so exercise such control or influence; or (v) any similar event or transaction not specifically contemplated by this section paragraph as determined by the Company in its sole discretion, acting reasonably, including but not limited to a change in control of the Board.

Options

(a) Mechanics for Options

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

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

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

If an Event of Termination occurs as a result of termination for just cause, any unvested options held by such participant on the date of such termination, shall be cancelled as of that date. Except as otherwise stated in the Share Compensation Plans or otherwise determined by the Administrators in their discretion, upon the occurrence of an Event of Termination that includes termination by voluntary resignation, under the Employee Share Compensation Plan, or by termination for convenience, under the Consultant Share Compensation Plan, or termination other than for just cause, under both Share Compensation Plan, any unvested options granted to the affected participant shall vest immediately and may be exercised only before the earlier of: (i) the expiry of the option; and (ii)(a) 90 days after the date of the Event of Termination for participants who are not directors; or (ii)(b) 365 days after the date of the Event of Termination for participants who are directors.

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

(c) Other Terms

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

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

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

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

Share Purchase Scheme

(a) Mechanics for the SPS

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

(b) Purchase Scheme Treasury Option

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

(c) Purchase Scheme Market Option

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

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

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

- (i) purchase shares to be issued from treasury under the Purchase Scheme Treasury Option; or
- (ii) purchase shares through the facilities of the TSX-V (or such other stock exchanges as the Company may designate from time to time) under the Purchase Scheme Market Option, for the

next following calendar quarter; provided that, if the Administrators do not make such a determination in respect of any calendar quarter, participants shall continue to participate in the SPS in the next following calendar quarter on the same terms and in the same manner as in the preceding calendar quarter.

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

(e) Common Shares Held in Trust

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

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

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

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

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

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

(f) Termination of Contract and the SPS

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

- (i) Under the Purchase Plan Treasury Option, any cash portion of the Company's contribution made on behalf of such participant to the Purchase Scheme Trust then held by the Purchase Scheme Trust shall be forfeited, and subject to the discretion of the Administrators, any common shares issued on behalf of such participant from time to time for the Aggregate Contribution then held in safekeeping for a participant, subject to applicable law and Listing Rules, be delivered to such

participant subject to compliance with applicable law and Listing Rules, including expiry of the Hold Period (as defined below);

- (ii) Under the Purchase Plan Market Option any cash portion of the Company's contribution made on behalf of such participant to the Purchase Scheme Trust then held by the Purchase Scheme Trust shall be forfeited, and subject to the discretion of the Administrators, such Employee shall be entitled to receive the common shares purchased by the Purchase Scheme Trust with the Company's contribution made in respect of such participant up to the end of the quarter immediately prior to the date of the Event of Termination and shall forfeit the amount of the Company's contribution and any Common Shares purchased with such Company's contribution made in respect of such Employee after the end of such quarter.

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

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

(g) Other Terms

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

Share Bonus Scheme

(a) Mechanics of the SBS

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

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

(b) Other Terms

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

Transferability

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

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

Hold Period

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

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

Investor Relations Activities

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

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

Amendment Provisions in the Share Compensation Plans

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

- (a) not adversely alter or impair any RSU previously awarded or any option previously granted except as permitted by the adjustment provisions of the Share Compensation Plan;
- (b) be in accordance with the Manual and be subject to any regulatory approvals including, where required, the approval of the TSX-V; and
- (c) be subject to Shareholder approval, where required, by law or the requirements of the TSX-V, provided that Shareholder approval shall not be required for the following amendments:
 - (i) amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plans or a RSU or option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Share Compensation Plans or a RSU or option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) amendments that are necessary for RSUs or options to qualify for favourable treatment under applicable tax laws;
 - (iii) a change to the vesting provisions of any RSU or any option (including any alteration, extension or acceleration thereof) or the Share Compensation Plans;
 - (iv) a change to the termination provisions of any option (for example, relating to termination of employment, resignation, contract, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period);
 - (v) the introduction of features to the Share Compensation Plans that would permit the Company to, instead of issuing shares from treasury upon the vesting of the RSUs, retain a broker and make payments for the benefit of participants under the Share Compensation Plan to such broker who would purchase shares through the facilities of the TSX-V for such persons;
 - (vi) where amendments are required to comply with listing on a foreign exchange;
 - (vii) subject to compliance with TSX-V requirements, reduce the exercise price of any option (including any cancellation of an option for the purpose of reissuance of a new option at a lower exercise price to the same person); and
 - (viii) change the application of adjustment and change of control sections.
- (d) For greater certainty:
 - (i) Shareholder approval will be required in circumstances where an amendment to the Share Compensation Plans would:

1. increase the maximum number of shares issuable under the Share Compensation Plans, other than by virtue of the adjustment provisions in the Share Compensation Plans, or change from a fixed maximum percentage number of shares to a fixed maximum of issued and outstanding shares;
 2. amend the fixed limit on the number of Bonus Shares that can be issued for the term of a Share Compensation Plan;
 3. permit RSUs or options to be transferable or assignable other than for normal estate settlement purposes;
 4. extend the term of any option beyond the original term (except if such period is being extended by virtue of a blackout period);
 5. amend the method for determining the exercise price of options;
 6. increase the certain limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”;
 7. amend the expiry and termination provisions applicable to RSUs, options, a SPS or SBS; or
 8. amend the number of shares reserved for issuance pursuant to the SPS;
 9. amend limit that the Corporation can contribute to a participant under the SPS; or
 10. amend the amendment provisions in the Share Compensation Plans.
- (ii) Disinterested Shareholder approval will be required in circumstances where an amendment to the Share Compensation Plans would:
1. reduce the exercise price of any Option granted under the Share Compensation Plans if the person is an Insider of the Company at the time of the proposed amendment; or
 2. increase the certain limits referred to above under “*Restrictions on the Award of RSUs and Grant of Options*”.

If the Share Compensation Plans are approved by Shareholders at the Meeting, the Current Share Compensation Plans in its current form will cease to operate, and any outstanding options and RSUs will be rolled into and governed by the New Share Compensation Plans. The above description of the Share Compensation Plans is written on the assumption that the Share Compensation Plan, as presented to Shareholders, are approved at the Meeting.

In the event that Resolution 7 is not approved by Shareholders at this Meeting, Shareholders, the Company's Current Share Compensation Plan will continue to be in effect.

Copies of the Share Compensation Plans will be available at the Meeting and will be mailed to any Shareholder free of charge by contacting the Company. See “*Additional Information*”.

Proposed Resolutions

The ordinary resolution, substantially in the form below, must be passed by at least a majority of the votes cast at the Meeting in person or by proxy.

To consider and, if thought fit, pass the following **ordinary resolution**, with or without amendment:

1. The employee share compensation plan and the consultant share compensation plan of the Company (the “**Share Compensation Plans**”) to fix the maximum number of common shares of the Company that may be issued under the Share Compensation Plans at 20% of the number of common shares of the Company issued and outstanding, as of the effective date of the Share Compensation Plans, as described in the Information Circular dated July 25, 2018 are hereby approved, subject to the Company obtaining all required approvals from the TSX-V and any other regulatory authorities;

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

Directors' Recommendation

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

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

5. INCREASE NUMBER OF COMMON SHARES THAT MAY BE ISSUED TO INSIDERS UNDER THE SHARE COMPENSATION PLANS (RESOLUTION 8)

Pursuant to TSX-V policies, disinterested shareholder approval is required if certain amendments are made to the Share Compensation Plan.

If Resolution 7 is passed, the Company is proposing to amend the Share Compensation Plans, which requires disinterested shareholder approval, to increase the aggregate number of common shares of the Company that may be issued under the Share Compensation Plans that can be issued for RSUs, Bonus Shares and SPS from 15,000,000 at any point in time, including to insiders to 20,000,000 at any point in time, including to insiders.

Proposed Resolutions

Insiders to whom shares under the Share Compensation Plans may be issued or their associates will abstain from voting on Resolution 8. The ordinary resolution, substantially in the form below, must be passed by at least a majority of disinterested shareholders who cast a vote at the Meeting in person or by proxy.

If Resolution 7 is passed, BE IT RESOLVED THAT:

1. The Share Compensation Plans, as described in the Information Circular be further amended to increase the aggregate number of common shares of the Company that may be issued under the Share Compensation Plans that can be issued for RSUs, Bonus Shares and SPS from 15,000,000 at any point in time, including to insiders to 20,000,000 at any point in time, including to insiders; and
2. any director or officer of the Company is hereby authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.

Directors' Recommendation

The Board recommends to Shareholders of the Company that they vote FOR the number of common shares that may be issued to insiders under the Share Compensation Plans, in the event the Resolution 7 is passed.

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

EXECUTIVE COMPENSATION

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

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) the Company’s most highly compensated executive officer (other than the CEO and CFO of the Company), at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000 as determined in accordance with subsection 1.3(5) of National Instrument Form 51-102F6V (“Form 51-102F6V”); and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company including any of its subsidiaries, nor acting in a similar capacity at the end of the most recently completed financial year.

The following were NEOs for the year ended March 31, 2018 (being the Company’s most recently completed financial year):

- Alan Joseph (“Joe”) Phillips, CEO and Director (appointed Executive Director on October 10, 2017)
- Cameron McCall, Executive Director (appointed Executive Chairman on October 17, 2017)
- David Taplin, President, CEO and Director (resigned CEO and Director February 5, 2018)

1. DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following table (presented in accordance with Form 51-102F6V) sets forth all direct and indirect compensation provided to the Company’s directors and NEOs, for the financial years ended March 31, 2017 and 2018. All dollar amounts are Australian dollars unless otherwise indicated.

Table of compensation excluding compensation securities						
Name and position ⁽⁶⁾	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Joe Phillips ⁽¹⁾ CEO and Director	2018	60,000	-	-	-	60,000
	2017	-	-	-	-	-
Cameron McCall ⁽²⁾ Executive Chairman	2018	100,000	-	-	-	100,000
	2017	75,000	-	-	-	75,000
David Taplin ⁽⁶⁾ President & CEO	2018	277,273	-	-	-	277,273
	2017	255,000	-	-	-	255,000
David Lenigas ⁽³⁾ Non- Executive Director	2018	60,000	-	-	-	60,000
	2017	45,000	-	-	-	45,000
Alan Phillips ⁽⁴⁾ Non- Executive Director	2018	80,000	-	-	-	80,000
	2017	112,500	-	-	-	112,500
Earl Evans ⁽⁵⁾ Non- Executive Director	2018	0	-	-	-	0
	2017	-	-	-	-	-

Notes:

1. Joe Phillips was appointed as Executive Director on October 10, 2017. All of Joe Phillips’ fees were for consulting services, not director’s fees.
2. Cameron McCall was paid \$80,000 per annum for director and chairmanship fees, commencing July 1, 2016 until October 17, 2017, when he was appointed as Executive Chairman. Since his appointment as Executive Chairman, his fees were for consulting services, not director’s fees. Cameron received \$40,000 for directors’ fees and \$60,000 for his executive fees.
3. David Lenigas was appointed as director on July 11, 2016.

4. All of Alan Phillips' fees were for consulting services, not director's fees up until January 1, 2017. As of January 1, 2017, Alan Phillips became a Non-Executive Director, and is paid director's fees.
5. Earl Evans was appointed as director on February 5, 2018. Earl Evans has foregone to receive any Directors Fee's. The Board offered Earl Evans Bonus Shares the Company for his contribution, refer to "Issue of Compensation Securities to Directors and NEOs" below.
6. All of David Taplin's fees were for consulting services, not director's fees. David Taplin resigned on February 5, 2018.
7. No directors are paid fees for sitting on committees.

2. STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

Issue of Compensation Securities to Directors and NEOs

The following table sets forth information concerning all awards granted or issued under the Company's Share Compensation Plans during the year ended March 31, 2018 to each of the directors and NEOs.

Compensation Securities							
Name and position	Type of compensation security ⁽¹⁾ ₍₂₎	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue of grant	Issue, conversion or exercise price (CAD\$)	Closing price of security or underlying security on date of grant (CAD\$)	Closing price of security or underlying security at year end (CAD\$)	Expiry Date
Joe Phillips ⁽³⁾ CEO and Director	Bonus Shares	1,176,471	28 Nov 17	\$0.085	\$0.075	\$0.05	n/a
	RSUs	2,385,941	28 Nov 17	\$0.20	\$0.075	\$0.05	27 Nov 20
	Options	2,000,000	20 Feb 18	\$0.06	\$0.055	\$0.05	19 Feb 21
Cameron McCall ⁽⁴⁾ Executive Chairman	Bonus Shares RSUs	1,176,471	28 Nov 17	\$0.085	\$0.075	\$0.05	n/a
		2,385,941	28 Nov 17	\$0.20	\$0.075	\$0.05	27 Nov 20
David Taplin ⁽⁵⁾ CEO and Director	-	-	-	-	-	-	-
David Lenigas ⁽⁶⁾ Director	RSUs	250,000	20 Feb 18	\$0.20	\$0.075	\$0.05	19 Feb 21
Alan Phillips ⁽⁷⁾ Non. Exc. Director	Options	2,000,000	20 Feb 18	\$0.06	\$0.055	\$0.05	19 Feb 21
Earl Evans ⁽⁸⁾ Non. Exc. Director	Bonus Shares RSUs	1,500,000	20 Feb 18	\$0.085	\$0.075	\$0.05	n/a
		250,000		\$0.20	\$0.075	\$0.05	19 Feb 21

Notes:

1. RSU's vest upon the share price reaching \$0.20 for 20 consecutive trading days.
2. There were no vesting provisions on the options granted.
3. Joe Phillips held 2,000,000 options and 2,385,941 RSUs at March 31, 2018. As part of his appointment, Mr Phillips was issued Bonus Shares to the value of \$102,660, pursuant to the Share Compensation Plan.
4. Cameron McCall held 4,000,000 options and 2,385,941 RSUs at March 31, 2018. As part of his appointment as Executive Chairman, Mr McCall was issued Bonus Shares to the value of \$102,660, pursuant to the Share Compensation Plan.
5. David Taplin resigned on February 5, 2018. David Taplin held 4,481,746 options at March 31, 2018
6. David Lenigas held 4,000,000 options and 250,000 RSUs at March 31, 2018
7. Alan Phillips held 3,131,083 options at March 31, 2018
8. Earl Evans held 250,000 RSUs at March 31, 2018. In lieu of fees, Earl Evans was issued 1,500,000 Bonus Shares to the value of \$90,648, pursuant to the Share Compensation Plan.

3. EXTERNAL MANAGEMENT COMPANIES

Joe Phillips is, and David Taplin was, engaged by an external management companies. All amounts disclosed in the tables above were paid directly to the respective external management company and the full amount was

paid to the NEO. The named NEOs do not provide any other services through their respective external management company to any other company.

4. STOCK OPTION PLAN AND OTHER INCENTIVE PLANS

At the 2017 AGM Shareholders approved, the Employee Share Compensation Plan and the Consultant Share Compensation Plan (collectively the “**Share Compensation Plans**”), both of which form the basis of the provision of long-term incentives for the Company. The Share Compensation Plan are fixed to 20% of the number of common shares of the Company issued and outstanding at the effective date of the Share Compensation Plans being 185,785,241 Common Shares. Refer to Resolution 7 and 8 being put forward for approval at this Meeting.

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

The Company issued options, RSUs and Bonus Shares under the Consultant Share Compensations Plan to NEOs and directors as set out in “*Stock Options and Other Compensation Securities*” above.

Administration of the Share Compensation Plan

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

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

Number of Shares Available for Issuance under the Share Compensation Plan

The number of shares available for issuance from the treasury under the Share Compensation Plan must not at any time exceed 20% of the number of common shares of the Company issued and outstanding as of the effective date of the Share Compensation Plans (August 31, 2017), being 185,785,241. These limits do not apply to shares purchased from the market under the SPS.

Options

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

The Administrators determines to whom options are issued, how many options are issued and the exercise price.

Restricted Share Units (“RSUs”)

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

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

The Administrators recommends to the Board to whom RSUs should be granted, how many are granted to each participant and the vesting conditions. Vesting conditions may be goal or time based. The Company issues shares to participants upon achievement of vesting conditions and they would be tradable on the TSX-V by the participant.

Share Purchase Scheme (“SPS”)

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

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

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

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

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

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

The Purchase Scheme Market Option is a useful incentive because its operation does not come under the 20% cap so it can be used if the total amount of the cap has been utilised.

Share Bonus Scheme (“SBS”)

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

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

5. EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

NEO’s Consultancy Agreements

Joe Phillips is, and David Taplin was, engaged by a separate entity which has entered into a consulting contract with the Company, as outlined in “*External Management Companies*” above. Mr Cameron McCall is engaged as an executive, personally, not through an external management company.

The key terms of Joe Phillips’ and Cameron McCall’s consultancy contract are:

- (a) Receive a consultancy fee of \$10,000 per month.

- (b) Receive 1,176,471 Bonus Shares each at a deemed price of C\$0.085 per share, being the closing share price per Common Share on the TSX-V on the trading day immediately preceding the day on which the Bonus Shares were issued;
- (c) Be issued 2,385,941 RSUs which vest upon the closing share price of the Company's shares on the TSX-V being greater than C\$0.20 for 20 consecutive trading days;
- (d) each contract's term is open ended;
- (e) the Company must provide 12 months' notice for termination without cause. NEOs must provide six months' notice. The consulting contracts may be terminated by either party by mutual agreement;
- (f) should the Company terminate the contract without due cause, the Executive is entitled to a termination payment equal to the aggregate consulting fee that would be payable to the Executive in lieu of 12 months' notice; and
- (g) the Board may at its discretion agree to pay an additional fee to any or all of the above NEOs, should they perform services in excess of the required contracted hours.

The key terms of David Taplin's consultancy contract was:

- (a) Receive a consultancy fee of \$20,000 per month, which was reduced temporarily from 1 April 2015 ("Temporary Period") to \$16,666.67 per month. The consultancy fee was to return to previous consultancy fee of \$20,000 and the difference between the temporary consulting fee and the previous consulting fee during the Temporary Period payable to David Taplin.
- (b) With effect from April 1, 2016 the Company entered into a bond, as a non-current liability with David Taplin whereby aggregate accrued salaries, totaling \$160,746 are not repayable before April 1, 2017, subject to other terms and conditions, unless agreed otherwise. Interest is payable on a monthly basis at 4% per annum. On September 30, 2016 it was agreed that the Bonds be paid out, interest foregone and the funds used for the exercise of options already on issue to David Taplin.
- (c) the contract's term is open ended;
- (a) the Company must provide 12 months' notice for termination without cause. The Executive must provide six months' notice. The consulting contracts may be terminated by either party by mutual agreement;
- (b) should the Company terminate the contract without due cause, the Executive is entitled to a termination payment equal to the aggregate consulting fee that would be payable to the Executive in lieu of 12 months' notice; and
- (c) the Board may at its discretion agree to pay an additional fee to any or all of the above NEOs, should they perform services in excess of the required contracted hours.

Directors' Engagement Letters

The Company has an engagement letter with each director pursuant to which the directors are compensated a set annual fee for their services as directors, for committee participation, committee chairmanships, and certain additional responsibilities during the most recently completed financial year. The Company currently does not pay any additional amounts for participation in board committees. Cameron McCall, prior to his appointment as an executive Chairman on October 17, 2017 and Alan Phillips, Non-Executive Director, have a set annual fee of \$80,000 and David Lenigas has a set fee of \$60,000. Earl Evans was appointed as director on February 5, 2018 and has foregone to receive any directorship fees for his first year as a director. In lieu of fees, Earl Evans was issued 1,500,000 Bonus Shares to the value of \$90,648, pursuant to the Share Compensation Plan.

Termination and Change of Control

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

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

If a change of control event occurred estimated payments of \$120,000, would be made to each Joe Philips, CEO & Director and Cameron McCall, Executive Chairman.

6. OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Determining Compensation

The Board or the R & N Committee (if such committee is appointed) ensures that total compensation paid to all NEOs and directors is fair and reasonable. Compensation is designed to reward directors and NEOs' contribution to the Company and achievement of meaningful outcomes that create value and move the Company forward. Total compensation for each executive officer currently varies with the Company's performance in achieving non-financial objectives (in the form of RSUs), and with individual performance.

When determining the compensation the Board considers:

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

The Company's process for determining executive compensation is done on a case by case basis and involves discussion by the Board or the R & N Committee (if such committee is appointed) of the factors relevant to each case. The Board or the R & N Committee (if such committee is appointed) has authority to retain independent advisors to assist in determining current market conditions and rates and considers the compensation paid for directors, CEOs, CFOs and other NEOs of companies of similar size and stage of development in the mineral exploration/mining industry. In 2012 an independent remuneration consultant was engaged to assist in reviewing the Company's remuneration strategy and developing an appropriate balance between base salary and incentives. The Board is continuing to work with NEOs to implement the new strategy and align it with Shareholder's interests however it is challenging in the current uncertain market.

The Board or the R & N Committee (if such committee is appointed) endeavours to balance the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company.

Elements of Compensation

Compensation for NEOs is currently comprised of cash, in the form of base salary and long term incentive awards in the form of options. The table below outlines the different elements of compensation that can be awarded to, earned by, paid or payable to NEOs.

Element of Compensation	Description
Base Salary	Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his/her responsibilities to the best of his/her ability and in the best interests of the Company.
Option-based awards	The Company's Share Compensation Plan has been used to provide options which are granted in consideration of the level of responsibility of the NEO as well as his/her impact or contribution to the longer-term operating performance of the Company.
Restricted Share Units	RSUs provide the holder with notional units that represent a right to receive a set amount of shares when certain vesting conditions are met. RSUs are units that rise and fall in value based on the value of the Company's shares. Unlike options, RSUs do not require the payment of any monetary

	consideration to the Company. Instead, each RSU represents a right to receive one common share.
Share Purchase Scheme	The Share Purchase Scheme is a non-performance based scheme which gives participants the opportunity to purchase shares by making contributions from their salary and a part contribution by the Company.
Share Bonus Scheme	The Share Bonus Scheme gives the Company authority to allot, issue and distribute an aggregate total of common shares in each calendar year, to any employees whom the Board, in their sole and absolute discretion, deem to have provided extraordinary contributions to the advancement of the Company, as a discretionary bonus.

Further detail on the mechanics of each of the above elements of compensation is set out under “*Stock Option Plans and Other Incentive Plans*” above. The Company does not have any form of retirement or pension plan. The Board has the discretion to pay cash bonuses to NEO’s however there is no formal bonus plan or other formal arrangements pursuant to which bonuses may be earned.

Performance Goals

The Company considers the granting of performance based incentives to be a significant component of NEO’s compensation as it allows the Company to reward the achievement of milestones that increase value for Shareholders.

The Board or the R & N Committee (if such committee is appointed) reviews NEO’s performance in light of the Company’s objectives and considers other factors that may have impacted the success of those NEOs in achieving its objectives.

Benchmarking

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

7. PENSION PLAN BENEFITS

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as at March 31, 2018:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights CAD (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category	(a)	(b)	(c)
Equity Compensation Plans Approved By Shareholders	27,707,009 Options 5,050,882 RSUs 3,852,942 Bonus Shares	Options \$0.06 RSUs \$0.20 Bonus Shares \$n.a.	91,215
Equity Compensation Plans Not Approved By Shareholders	-	-	-
Total:	37,065,833		91,215

A description of the significant terms of the Company's Share Compensation Plan is found above under the heading 'Stock Option Plans and Other Incentive Plans'.

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As at March 31, 2018 no individual who is, or at any time during the most recently completed financial year was, a current or former director, executive officer or employee of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

APPOINTMENT OF AUDITOR

The Company's Canadian auditor is Davidson & Company, LLP, who was re-appointed by Shareholders in 2017.

The Company is required to have an Australian auditor in accordance with the Corporations Act. The Company's Australian auditor is currently Nexia Brisbane Audit Pty Ltd, who has acted for the Company since 2014.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company, as outlined under '*Executive Compensation*' above.

CORPORATE GOVERNANCE

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

Independence of Members of Board

The Company’s Board consists of five directors, of whom two are independent. Messrs David Lenigas and Earl Evans are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit Committees. Alan Phillips is not considered independent as he was an executive of the Company until January 1, 2017. Cameron McCall and Joe Phillips are not independent as they are executives of the Company. The Board looks to Mr. David Lengias as lead independent director to provide leadership for the independent directors. When faced with a decision that requires independent judgement following division by all directors, the two independent directors are charged with the responsibility of making the final decision.

Management Supervision by Board

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

Board Mandate (Charter)

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

Participation of Directors in Other Reporting Issuers

Directors	Company	Period of Directorship
Cameron McCall	-	-
Joe Phillips	-	-
David Lenigas	Clancy Exploration Limited (ASX:CLY)	15 Jun, 2017 – Current
	Auroch Minerals NL (ASX:AOU)	7 Nov 2016 – Current
	LGC Capital Ltd. (TSX-V: QBA)	13 Jul, 2016 – Current
	AfriAg plc (ISDX: AFRI)	30 Jun, 2016 – Current
	Doriemus plc (ISDX: DOR)	27 Jul, 2016 – Current
	Southern Hemisphere Mining Limited (ASX:SUH)	24 Mar 2017- Current
	Artemis Resources Limited (ASX:ARV)	3 Nov 2016 - Current
Alan Phillips	-	-
Earl Evans	-	-

Orientation and Continuing Education

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

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

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

Ethical Business Conduct

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

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

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

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

Nomination of Directors

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

Compensation of Directors and NEOs

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

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

Board Committees

The Audit Committee is the only committee of the Board at this time. As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development. A copy of the Audit Committee Charter is available on the Company's website, www.macarthurminerals.com.

Assessments

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

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee pursuant to Form 52-110F2 – Disclosure by Venture Issuers.

The Audit Committee's Charter

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. The Audit Committee Charter is attached hereto as Schedule “A”.

Audit Committee Composition and Relevant Education and Experience

The following are the members of the Committee:

Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Relevant Education & Experience
David Lenigas <i>Committee Chairman</i>	Yes	Yes	Mr Lenigas is a Mining Engineer, with extensive experience in the lithium business, having retired as the Executive Chairman of Cadence Minerals plc (AIM: KDNC) (“Cadence”). Cadence is a London listed Investment Company, which has a number of strategic investments in lithium projects around the world. Mr Lenigas is Executive Chairman of LGC Capital Ltd listed on the TSX-V (TSX-V:QBA). In addition, he is the Executive Chairman of a bespoke agri-logistics company; London listed AfriAg plc (ISDX: AFRI) and Executive Chairman of UK oil company, Doriemus plc (ISDX: DOR). He is also director of ASX listed companies, Southern Hemisphere Mining (ASX:SUH) and Artemis Resources Limited (ASX:ARV).
Cameron McCall	No	Yes	Mr McCall has a wealth of experience across the financial services and commercial property industries within Australia and internationally. He has been providing investment, equity capital raising and share trading advice for over 17 years to corporate entities and private clients at Hartleys Limited and Macquarie Bank Limited. Mr McCall has during his 40 year career built an extensive network of international and Australian based high net worth individuals and corporate entities. Mr McCall is currently running a corporate advisory business providing advice on asset acquisition

Member	Independent (1)	Financially Literate (2)	Relevant Education & Experience
			and capital raising to international and Australian based organisations.
Earl Evans	Yes	Yes	Mr Evans has held a range of management and executive roles throughout his 23 year career within the Financial Services industry. He has extensive experience as an investment banking executive including as Executive Director within the Macquarie Group Limited for 11 years spending the last 5 years in Canada as head of Banking and Financial Services for North America. Mr Evans has significant previous experience as a board director and has vast international and Australian based business expertise and relationships. Mr Evans is currently a Director and Head of the Wealth Management of Shaw and Partners.

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the board of directors to review the performance of the Company's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chairman of the Audit Committee is authorized to approve any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

Exemption in Section 6.1 of NI 52-110

The Company relies on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) for venture issuers.

External Auditor Service Fees

The aggregate fees billed by the Company's current external auditors, Nexia Brisbane Audit Pty Ltd, and Davidson & Company LLP, in each of the last two fiscal years are as follows.

	Year Ended March 31, 2018	Year Ended March 31, 2017
Audit Fees ⁽¹⁾	\$73,000	\$70,000
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	-	-
All Other Fees ⁽⁴⁾	\$6,000	\$30,000

Notes:

1. The aggregate fees billed for audit services.

2. The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, which are not included under the heading "Audit Fees".
3. The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
4. The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

OTHER MATTERS

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

ADDITIONAL INFORMATION

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

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

DATED this 25th day of July, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

OF MACARTHUR MINERALS LIMITED

"Nicola Ingram"

Nicola Ingram

Company Secretary

Schedule "A" – Audit Committee Charter

MACARTHUR MINERALS LIMITED

ACN 103 011 436

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on 14 May 2015)

ARTICLE 1 - PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to:

- (a) ensure that the management of Macarthur Minerals Limited (the "Company") has designed and implemented an effective system of internal financial controls for reviewing and reporting on the Company's financial statements;
- (b) oversee, review and report on the integrity of the Company's financial disclosure and reporting;
- (c) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts; and
- (d) be directly responsible for:
 - (i) the recommendation to the Board of Directors ("Board") of a firm of external auditors to be proposed for election as the external auditors of the Company,
 - (ii) the oversight of the work of the Company's external auditors, and
 - (iii) subject to the grant by the shareholders of the authority to do so, if required, recommend to the Board the compensation of the external auditors of the Company.

ARTICLE 2 - COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 Number of Members

The Committee shall be comprised of a minimum of three non-executive members of the Board.

2.2 Member Qualifications

- (a) The Committee member must be a director of the Company
- (b) The majority of Committee members must be "independent¹" within the meaning of all applicable legal and regulatory requirements (except in the circumstances, and only to the extent, permitted by all applicable legal and regulatory requirements).
- (c) All of the members of the Committee will be "financially literate²", at least one member of the Committee will have accounting or related financial expertise (i.e. able to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with generally accepted accounting principles).

2.3 Member Appointment and Removal

¹ Whether a director is "independent" will be determined in accordance with all applicable laws and regulations, including the applicable securities laws of Canada and the United States and the regulations and policies of any stock exchange or quotation system on which the Company's securities are listed or quoted.

² 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 compatible to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

- (a) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, or by way of circulating resolution thereafter, will appoint the members of the Committee for the ensuing year.
- (b) The Board may at any time remove or replace any member of the Committee.
- (c) To fill any vacancy in the Committee following the death, disability or resignation of a member, the new appointee may be exempt from the requirement of section 2.2(b), independence, or section 2.2(c), being financially literate, for a period of up to six months or until the next Annual General Meeting whatever is the shorter. Such an appointment is subject to the board determining that the reliance on the exemption will not materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of NI52-110.

2.4 **Committee Structure and Operations**

(a) *Chair*

Each year, the Board shall appoint one member of the Committee to be the Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

Unless the Board has appointed a chair of the Committee, the members of the Committee will elect a chair from among their number.

(b) *Meetings*

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. However, the Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties.

The Chair or any two members of the Committee may call a meeting.

(c) *Notice*

Notice of the time and place of every meeting shall be given in writing to each Committee member, the Chairman of the Board, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company at least one week prior to the time fixed for such meeting.

The external auditor of the Company shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat.

If requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.

(d) *Quorum*

The quorum for meetings will 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. Decisions by the Committee will be by the affirmative vote of a majority of the members of the Committee, or by consent resolutions in writing signed by each member of the Committee.

(e) *Secretary*

The Committee may select an individual to act as secretary for the Committee, who will be either:

- (i) A member of the Committee other than the chair;
- (ii) the Corporate Secretary; or
- (iii) Another individual who is not a member of the management of the Company. or

The Secretary, in conjunction with the Chair shall draft an agenda, which will be circulated at least one week prior to each meeting.

(f) *Records*

Minutes of meetings of the committee shall be recorded and maintained by the Secretary to the Committee and shall be subsequently presented to the committee for review and approval. The minutes of each Committee meeting shall be submitted to the Board for information.

(g) *Attendees*

The Committee will 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.

The internal accounting staff, any external accounting consultant(s) and the external auditors will 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, or consultant of, the Company as it deems necessary, and any employee of, or consultant to, the Company may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

The Committee may, in its sole discretion, retain, at the expense of the Company, such legal, financial or other advisors or consultants as it may deem necessary or advisable in order to properly and fully perform its duties and responsibilities hereunder.

(h) *Liaison*

The Company's Chief Financial Officer shall act as management liaison with the Committee.

ARTICLE 3 - DUTIES AND RESPONSIBILITIES

3.1 The overall duties and responsibilities of the Committee will be as follows:

- (a) be directly responsible for:
 - (i) the recommendation to the Board of a firm of external auditors to be proposed for election as the external auditors of the Company,
 - (ii) the oversight of the work of the Company's external auditors, and
 - (iii) subject to the grant by the shareholders of the authority to do so, if required, recommendation to the Board the compensation of the external auditors of the Company;
- (b) to review with the management of the Company (and, in the case of the annual audited statements, with the external auditors) the annual audited consolidated and unaudited consolidated quarterly financial statements, including the notes thereto, to ensure that such statements present fairly the financial position of the Company and the results of its operations and, if appropriate, to recommend to the Board as to the approval of any such financial statements;
- (c) 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 consolidated financial statements;
- (d) to establish and maintain a direct line of communication with the Company's internal accounting staff and any external accounting consultant(s) and assess their performance;
- (e) to undertake the following in relation to risk management:
 - (i) review and evaluate the internal processes for determining and managing key risk areas;

- (ii) monitor and assess the Company's risk management system and require Management to report major risks at least annually to the Board;
- (iii) require periodic reports from nominated senior managers:
 - A. confirming the operation of the risk management system including advice that accountable management have confirmed the proper operation of agreed risk mitigation strategies and controls; and
 - B. detailing material risks.
- (f) to ensure that the management of the Company has designed, implemented and is maintaining an effective and appropriate system of internal financial controls; and
- (g) to report regularly to the Board on the fulfilment of its duties and responsibilities including:
 - (i) assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
 - (ii) assessment of the management processes supporting external reporting;
 - (iii) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
 - (iv) recommendations for the appointment or, if necessary, the removal of the external auditor;
 - (v) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the audit committee is satisfied that provision of those services has not compromised the auditor's independence;
 - (vi) assessment of the performance and objectivity of the internal audit function; and
 - (vii) the results of the committee's review of risk management and internal control systems.

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

- (a) to recommend to the Board a firm of external auditors to be proposed by management of the Company to the shareholders for election by the shareholders as the external auditors for the Company, and to verify the independence of such proposed external auditors;
- (b) to review and recommend to the Board the fee, scope and timing of the annual and any other audit performed by the external auditors;
- (c) to review and evaluate the qualifications, performance and independence of the lead partner of the external auditors of the Company;
- (d) to discuss with management of the Company the timing and process for implementing the rotation of the lead audit partner and the reviewing partners of the external auditors of the Company;
- (e) to obtain confirmation from the external auditors of the Company that they will report directly to the Committee;
- (f) to obtain confirmation from the external auditors of the company that they will report in a timely matter to the Committee all critical accounting policies and practices to be used, all alternative accounting policies and practices, the ramifications of each of such accounting policies and practices and the accounting policy and practice preferred by the external auditors of the Company, for the financial information of the Company within applicable accounting principles which have been discussed with management of the Company and will provide a copy of all material written communications between the external auditors of the Company and

management of the Company including, without limitation, any management letter or schedule of unadjusted differences;

- (g) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Company;
- (h) to review and pre-approve all non-audit services to be provided to the Company (or any of its subsidiaries) by the external auditors;
- (i) review the audit plan of the external auditors prior to the commencement of the audit;
- (j) to review with the external auditors, upon completion of their annual audit:
 - (i) the contents of their report,
 - (ii) the scope and quality of the audit work performed,
 - (iii) the adequacy of the Company's financial and accounting personnel,
 - (iv) the co-operation received from the Company's personnel and any external consultants during the audit,
 - (v) the scope and nature of the internal resources used,
 - (vi) any significant transactions outside of the normal business of the Company,
 - (vii) any 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 during the year under audit;
- (k) to discuss with the external auditors not just the acceptability, but also the quality, of the Company's accounting principles; and
- (l) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3.3 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 accounting, the use of and services provided by any external accounting consultant(s), insurance, information services and systems and financial controls, management reporting and risk management, and to ensure that the Company maintains:
 - (i) the necessary books, records and accounts in reasonable detail to accurately and fairly reflect the Company's financial transactions,
 - (ii) effective internal control systems, and
 - (iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud;
- (b) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
 - (ii) the confidential, anonymous submission by employees or any external consultants of the Company of concerns regarding questionable accounting or auditing matters;
- (c) to periodically review this policy and recommend to the Board any changes which the Committee may deem appropriate;

- (d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company;
- (e) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal accounting staff, by any external accounting consultant(s) or by the external auditors have been implemented;
- (f) assist in the preparation of any internal control report by management, which provides that management of the Company is responsible for establishing and maintaining an adequate control structure and procedures for financial reporting by the Company, assessing the effectiveness of such control structure and procedures, and ensuring that the external auditors of the Company attest to, and report on, the assessment of such control structure and procedures by management of the Company;
- (g) assist the Chief Executive Officer and the Chief Financial Officer of the Company in their assessment of the effectiveness of the Company's internal control over financial reporting and in determining whether there has been any material change in the Company's internal control over financial reporting which has materially affected or could materially affect such internal control subsequent to the date of the evaluation; and
- (h) assist the Chief Executive Officer and the Chief Financial Officer of the Company in identifying and addressing any significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial information and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

3.4 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 any);
 - (iii) any quarterly or annual management discussion and analysis;
 - (iv) prospectuses; and
 - (v) other public reports requiring approval by the Board,and report to the Board with respect thereto including, without limitation, as to the approval (or otherwise) thereof by the Board;
- (c) prior to public disclosure review regulatory filings and decisions as they relate to the Company's consolidated annual and interim financial statements, including any press releases with respect thereto;
- (d) ensure that all non-audit services approved by or on behalf of the Committee are disclosed in the periodic reports of the Company;
- (e) ensure that each annual report and, to the extent required by any applicable legal or regulatory requirement, any quarterly report of the Company includes disclosure with respect to all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities which may have a current or future effect on the Company in accordance with all applicable legal and regulatory requirements;
- (f) ensure that all financial statements and other financial information, including pro forma financial information, included in any report filed by the Company with any regulatory authority or

contained in any public disclosure or press release of the Company is presented in a manner which does not contain a material misstatement or omission;

- (g) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (h) review and report on the integrity of the Company's consolidated financial statements;
- (i) 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 consolidated financial statements;
- (j) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and
- (k) 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 within a reasonable time following each annual general meeting of shareholders.

3.5 The Committee shall have the authority to determine:

- (a) subject to the grant by the shareholders of the authority to do so, if required, the compensation to be received by the external auditors of the Company in connection with all audit services, and non-audit services, to be performed by the auditors;
- (b) the compensation to be received by any legal, financial or other advisors or consultants engaged by the Committee to assist it in performing its duties and responsibilities hereunder; and
- (c) the appropriate funding for the ordinary administrative expenses of the Committee.

The Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board or Management to their implementation. The Committee is not responsible for supervising the performance of executives and does not become involved in day-to-day operations, management functions or decision making.

ARTICLE 4 – GENERAL

4.1 The Committee will:

- (a) prepare any report or other disclosure, including any recommendation of the Committee, required by any applicable legal or regulatory requirement to be included in the annual proxy or information circular of the Company;
- (b) review this Charter at least annually and recommend any changes herein to the Board;
- (c) report the activities of the Committee to the Board on a regular basis and make such recommendations thereto as the Committee may deem necessary or appropriate;
- (d) review and recommend to the Board an annual performance evaluation of the Committee, which performance evaluation must compare the performance of the Committee with the requirements of this Charter and be conducted in such manner as the Committee deems appropriate. Such report to the Board may be in such form as the Committee determines, which may include being in the form of an oral report by the chair of the Committee or by another member of the Committee designated by the Committee to make such report; and
- (e) adopt, as it sees fit, any policies and procedures for pre-approval of non-audit services in accordance with all applicable legal and regulatory requirements.

4.2 No member of the Committee will receive any compensation from the Company, other than fees for being a director of the Company, or a member of a committee of the Board.

- 4.3 In addition to the foregoing, the Committee will perform such other duties as may be assigned to it by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.