

## COMPASS GOLD CORPORATION

Suite 800, 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

### NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special general meeting (the "**Meeting**") of shareholders of Compass Gold Corporation (the "**Company**" or "**Compass**") will be held at Suite 800 – 789 West Pender Street, Vancouver, British Columbia, on May 29, 2015 at the hour of 10am. (Vancouver time) for the following purposes:

- (1) to receive and consider the audited consolidated financial statements of the Company for its most recent 12 months ended December 31, 2014 and prior 12 months ended December 31, 2013, the reports of the auditor thereon and the related management discussion and analyses;
- (2) to elect directors of the Company for the ensuing year;
- (3) to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration;
- (4) to ratify and approve the Company's 10% rolling stock option plan;
- (5) to approve the consolidation of all of the Company's common shares, as more particularly set out in the accompanying Information Circular; and
- (6) to transact such further business as may properly come before the Meeting and any adjournments thereof.

Shareholders of record on the Company's books at the close of business on April 24, 2015 are entitled to notice of and to attend and vote at the Meeting or at any postponement or adjournment thereof. Pursuant to the Company's constating documents, each common share is entitled to one vote.

An Information Circular accompanies this Notice of Meeting. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice of Meeting may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders unable to attend the Meeting in person should read the notes to the proxy and complete and return the proxy to the Company's Transfer Agent, Computershare Investor Services Inc., by mail or delivery to 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or as otherwise indicated in the instructions contained on the form of proxy. All proxies must be received no later than 48 hours prior to the commencement of the Meeting.

If you are a non-registered holder of shares of the Company and received these materials through your broker or another intermediary, please complete and return the form of proxy or voting instruction form in accordance with instructions provided to you by your broker or such other intermediary.

The enclosed form of proxy appoints nominees of management as proxyholder and you may amend the proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

DATED this 24<sup>th</sup> day of April, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Lara Iacusso"*

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Director

**COMPASS GOLD CORPORATION**  
Suite 800 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

## **INFORMATION CIRCULAR**

(As at April 24, 2015, except as indicated)

### **GENERAL PROXY MATTERS**

Compass Gold Corporation (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the "**Meeting**") of the Company to be held on Friday, May 29, 2015 and at any adjournments. The Company will conduct its solicitation by mail, and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

### **APPOINTMENT OF PROXYHOLDER**

A duly completed form of proxy for the Company will constitute the persons named in the enclosed form of proxy as the Compass Shareholder's proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are directors or officers of the Company (collectively, the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholder and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

### **VOTING BY PROXY**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a shareholder does not specify a choice and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **COMPLETION AND RETURN OF PROXY**

Each proxy must be dated and signed by the Intermediary (see "Non-Registered Shareholders" below) acting on behalf of a Compass Shareholder or by the Compass Shareholder or his/her attorney authorized in writing. In the case of a corporation, the proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

Completed forms of the proxy must be returned to the Company's registrar and transfer agent, Computershare Investor Services by mail or delivery to 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or as otherwise indicated in the instructions contained on the form of proxy (including, where applicable, through the transfer agent's internet and telephone proxy voting services). All proxies in respect of the Meeting must be completed and received not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### **NON-REGISTERED SHAREHOLDERS**

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most 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; a bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or a clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the form of proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you are a non-registered holder and wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Company to forward meeting materials directly to "non objecting beneficial owners". These securityholder materials are being sent to both registered and non-registered holders. If you are a non-registered holder, and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Nominees to "objecting beneficial owners"*. As a result, such owners will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

### **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## **INFORMATION CONCERNING THE MEETING**

### **TIME, DATE AND PLACE**

The Meeting will be held at the Suite 800 – 789 West Pender Street, Vancouver, British Columbia, on May 29, 2015 at the hour of 10am, (Vancouver time) as set forth in the Compass Notice of Meeting.

### **RECORD DATE AND VOTING SHARES**

The Company is authorized to issue an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. As at the Record Date, 152,203,078 common shares of Company (the “Shares”) were issued and outstanding and no preferred shares were issued and outstanding. The Shares are listed for trading on the NEX Board of the TSX Venture Exchange (the “TSX-V”).

The Record Date for the determination of the Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Board as April 24, 2015. Persons who are Registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. Voting at the Meeting will be by a show of hands, each Shareholder present having one vote, unless a poll is requested or required whereupon each Shareholder or proxyholder present is entitled to one vote for each Share held. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all Shares of the Company, except the following:

<i>Name</i>	<i>Number of Shares beneficially owned, controlled or directed, directly or indirectly</i>	<i>Percentage of outstanding Shares</i>
Madani Diallo	18,201,752	12.0%

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial year ended December 31, 2013 and financial year ended December 31, 2014, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

## **ELECTION OF DIRECTORS**

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted by the Management Proxyholders for the nominees herein listed.

The number of directors to be elected at the Meeting has been fixed at a five (5).

The Board has an Audit Committee and a Compensation Committee, the members of each of which are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(3)</sup></i>
<b>James Henderson<sup>(1)</sup></b> <i>Mosman, NSW</i> <i>Australia</i> Director and Chairman	Executive Chairman of Transocean Group Pty Ltd. from January 2008 to present	Since April 12, 2010	11,805,486 <sup>(4)</sup>
<b>Lara Iacusso</b> <i>Rushcutters Bay, NSW</i> <i>Australia</i> Director and Chief Financial Officer	Director of Transocean Group Pty Ltd. from July 2006 to present.	Since June 30, 2010	1,792,333 <sup>(5)</sup>
<b>Madani Diallo<sup>(2)</sup></b> <i>Bamako, Mali</i> Director	President of M-Consulting Geologists from September 2008 to present; Country Manager of Anglo-gold Ashanti Mali from February 2003 to September 2008.	Since April 12, 2010	18,201,752
<b>Malcolm Carson<sup>(1)(2)</sup></b> <i>Cremorne, NSW</i> <i>Australia</i> Director	Managing Director of Mineral Resource Consultants from June 1997 to present.	Since October 1, 2009	158,333 <sup>(6)</sup>
<b>Larry Phillips<sup>(1)(2)</sup></b> <i>Ontario, Canada</i> Director	President of Corplex Management Services; Executive Vice President, Corporate Affairs of IAMGOLD Corporation (" <b>IAMGOLD</b> ") from October 2009 to June 2011; Executive Vice President, Corporate Affairs and General Counsel of IAMGOLD from December 2007 to October 2009; Vice President Corporate Development and General.	May 8, 2012	1,000,000

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at April 24, 2015 based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

(4) Of these Shares, 926,078 are held by Mr. Henderson directly, 2,314,000 are held in the name of Jalonex Investments Pty Ltd., 6,804,803 are held in the name of Transocean Finance Pty Ltd, 1,217,867 are held in the name of Transocean Securities Pty Ltd., and 542,738 are held in the name of JH&KM Pty Ltd all of which are companies controlled by Henderson.

(5) These Shares are held indirectly in the name of Portafortuna Pty Ltd., a private company controlled by Lara Iacusso.

(6) These Shares are held indirectly in the name of The Carson Family Trust, a private trust controlled by Malcolm Carson.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

(a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:

(i) was subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, to a cease trade or similar 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; or

(ii) was subject to a cease trade or similar 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, that was issued after the proposed director ceased to be a director, CEO or

CFO of such company but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this 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
- (c) 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 the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The following directors of the Company hold directorships in other reporting issuers (or the equivalent in a foreign jurisdiction) as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Malcolm Carson	Dampier Gold Limited
James Henderson	Arak Resources Limited Oklo Resources Limited
Madani Diallo	Nil
Lara Iacusso	Nil
Larry Phillips	Gowest Gold Limited Niagara Ventures Corporation

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Company's Compensation Committee is responsible for determining compensation of the directors and senior management. The Compensation Committee determined management compensation for the years ended December 31, 2013 and December 31, 2014 without reference to formal objectives, criteria or analysis.

The Company's compensation philosophy for executive officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company's executive officers, the Compensation Committee takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Company, and the Compensation Committee's and the Board's overall assessment of:

- (a) each executive officer's individual performance and contribution towards meeting corporate objectives;
- (b) each executive officer's level of responsibility;

- (c) each executive officer's length of service; and
- (d) industry comparables.

The Compensation Committee does not benchmark the Company's executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company. The Company has targeted its executive compensation practices to be at the low to mid end of the range for those companies which it has reviewed of comparable stage of development and market capitalization.

The Compensation Committee also obtains executive compensation data from third-party providers of compensation data in the local Vancouver, Canada and Sydney, Australia mineral exploration sector. The Company has not retained a compensation consultant or advisor at any time during the most recently completed 24 month period, to assist the Board or Compensation Committee in determining compensation for any of the Company's directors or executive officers. The Compensation Committee intends to agree annually and on an as-needed basis, with input from management, on the specific work to be undertaken from time to time by external human resources consultants.

Given its size and stage of development, the Company's process for determining executive compensation is fairly simple and does not include benchmarking or any formal objectives, criteria or analysis.

### **Compensation Mix**

In keeping with the Company's philosophy to link senior executive compensation to corporate performance and to motivate senior executives to achieve exceptional levels of performance, the Company has adopted a model that includes both base salary or consultancy fees and "at-risk" compensation, comprised of participation in the Company's stock option plan (the "**Stock Option Plan**"), as described below under the heading "Long Term Incentive Plan (Stock Options)". In addition, the Company may award performance bonuses based on executive's meeting short-term performance milestones.

The awarding of options under the Stock Option Plan is undertaken by the Compensation Committee from time to time, generally at a time where key events have occurred, or otherwise as part of an annual review. The value of options awarded is intended to form a part of the compensation mix for executives.

#### Base Salary or Consultancy Fees

Based on the current size of the Company's operations, the Company principally relies on consultants to carry out specific roles, including executive roles.

Base salary or consultancy fee levels reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of highly qualified executives. Base salaries or consultancy fees are not determined based on a specific formula or performance goal and are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Currently base salaries and consultancy fees are set at below industry standard levels to make more capital available for development of the Company's assets. Compensation is made up with the provision of stock options (see below for description). The Company may also grant short-term incentives to executives and directors, including the grant of cash awards or bonuses for achievement of personal or corporate goals. There is no current formula for how short term incentives are utilized in the Corporation's total compensation package, and the Corporation has not, to date, established any fixed personal or corporate goals for Named Executive Officers as part of a short term incentive program. No short term incentives in the form of cash or bonuses have been granted to Named Executive Officers during the financial years ended December 31, 2013 and December 31, 2014. The Company will continue to review salary and consultancy fee levels as the Company grows and will revise compensation if appropriate.



### Long Term Incentive Plan (Stock Options)

Long-term incentives are performance-based grants of stock options. The stock option awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Company;
- (c) the number and exercise price of stock options previously issued to the executive;
- (d) the difference between the executive's salary and that paid in comparable companies; and
- (e) the overall aggregate total compensation package provided to the executive. A Black-Scholes valuation is used to determine the value of any stock options which are awarded.

The Compensation Committee makes recommendations to the Board concerning the Company's Stock Option Plan based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives' compensation packages, but may be granted at any time the Compensation Committee considers appropriate. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance. Options granted under the Stock Option Plan expire no more than 10 years after the date of grant, and they may be granted at an exercise price no less than the market price of the Company's shares less any discount permitted by the TSX-V. The Board has traditionally limited the expiry date of options granted to 5 years at an exercise equal to market price and has not imposed vesting requirements on options granted. The terms of outstanding options are considered when the decision to grant new options is made, to ensure that the terms of the Company's stock options are as consistent as possible.

### Risks Associated with Compensation Policies and Practices

Neither the Board nor the Compensation Committee has considered the implications of the risks associated with the Corporation's compensation practices.

### Named Executive Officer Purchase of Financial Instruments

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

### **Chief Executive Officer Compensation**

The components of Chief Executive Officer compensation are the same as those which apply to the other senior executive officers of the Company, namely base salary or retainer consultancy fee, long-term equity incentives and discretionary performance bonuses (which are subject to targets or specific performance being achieved). The Compensation Committee presents its recommendations to the Board with respect to the Chief Executive Officer's compensation. In setting the recommended salary or retainer consultancy fee of the Chief Executive Officer, the Compensation Committee takes into consideration the recommendations of independent consultants and the salaries paid to other chief executive officers in the mineral exploration industry, as described above under the heading "Compensation Discussion and Analysis". In setting the salary or retainer amount, performance bonus and long-term incentives for the Chief Executive Officer, the Compensation Committee evaluates the performance of the Chief Executive Officer in light of his impact on the achievement of the Company's goals and objectives.

### **Composition of the Compensation Committee**

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. In this regard, the Compensation Committee makes recommendations to the Board.

The Compensation Committee is composed of Mr. Larry Phillips, Mr. Malcolm Carson and Dr. Madani Diallo, all of whom are "independent directors" as defined under applicable Canadian securities laws at the relevant

times. See "Statement of Corporate Governance Practices – Board of Directors' Independence" for additional information. Accordingly, the Compensation Committee currently comprises a majority of independent directors.

The Board believes that the Compensation Committee collectively have the skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices that are consistent with a reasonable assessment of the Company's risk profile. Set out below are details of each member of the Compensation Committee's relevant education and experience.

*Mr. Phillips*

Mr. Phillips was a co-founder of IAMGOLD in 1990 and retired from the company in June 2011 as its Executive Vice-President, Corporate Affairs. During his more than two decades with the company, he was involved in all of its international investments, joint ventures, and government relationships. He assisted IAMGOLD in establishing a strong reputation for corporate governance and social responsibility. Mr. Phillips was a Director of SEMOS, a joint venture company of IAMGOLD that was responsible for the development of the Sadiola gold mine in Mali.

Mr. Phillips is currently the President of Corplex Management Services, and has consulted with companies and other organizations on strategic international business affairs, business development, and government affairs issues

*Mr. Carson*

Mr. Carson is an Australian geologist and geoscientist and member of the Australian Institute of Mining and Metallurgy. Mr. Carson has worked as a consultant to the natural resources industry for over 30 years, most recently as the Managing Director of Natural Resource Consultants in Australia. Mr. Carson is Executive Chairman of Dampier Gold Limited (DAU:ASX). Mr. Carson has experience in the management of various companies has the ability to read and understand financial reporting especially as this relates to reporting company disclosure obligations under relevant securities laws.

*Dr. Diallo*

Dr. Madani Diallo is a Professional Geochemist with over 25 years of experience in mineral exploration with a focus on developing gold and base metals exploration programs in Africa. Dr. Diallo has held many senior roles including country manager, exploration manager, geochemist and project manager. Dr. Diallo received a Master of Science in Geochemistry and Mineralogy (1976) and a Ph.D. in Geochemistry (1979) from the University of Tashkent, Uzbekistan. As a senior officer and advisor to publicly listed companies including AngloGold Ashanti, Dr. Diallo has the ability to read and understand financial reporting especially as this relates to reporting company disclosure obligations under relevant securities laws.

### **Option-based Awards**

The Stock Option Plan has been used to provide stock options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX-V, and closely align the interests of the executive officers with the interests of shareholders.

### **Summary Compensation Table**

The following table (presented in accordance with National Instrument Form 51-102F6, Statement of Executive Compensation ("**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Company or any of its subsidiaries for the three most recently completed financial years of the Company (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at December 31, 2014 whose total compensation was, individually,

more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively, the "Named Executive Officers" or "NEO's").

### Summary Compensation Table

NEO Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
James Henderson Chairman, Former President and CEO <sup>(1)(2)</sup>	Dec 2014	Nil	Nil	Nil	Nil	Nil	Nil	4,978 <sup>(4)</sup>	4,978
	Dec 2013	Nil	Nil	Nil	Nil	Nil	Nil	35,719 <sup>(4)(5)(6)</sup>	32,188
	Jan 2012	Nil	Nil	154,786 <sup>(3)(5)</sup>	Nil	Nil	Nil	180,000 <sup>(4)(5)</sup>	334,786 <sup>(2)</sup>
Ian Spence CEO <sup>(8)</sup>	Dec 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 2013	99,112 <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	99,112
	Jan 2012	N/A	N/A	122,691 <sup>(9)</sup>	N/A	N/A	N/A	Nil	122,691
Lara Iacusso CFO <sup>(1)(4)</sup>	Dec 2014	Nil	Nil	Nil	Nil	Nil	Nil	14,933 <sup>(7)</sup>	14,933
	Dec 2013	Nil	Nil	Nil	Nil	Nil	Nil	76,667 <sup>(6)(7)</sup>	76,667
	Jan 2012	Nil	Nil	66,337 <sup>(3)(7)</sup>	Nil	Nil	Nil	120,000 <sup>(7)</sup>	186,337 <sup>(2)</sup>

- (1) James Henderson, Lara Iacusso, also receive compensation for services as a director, which compensation has been included in the figures provided in this Summary Compensation Table. The amounts which relate to the director role are disclosed in subsequent footnotes hereunder.
- (2) James Henderson appointed the President and Chief Executive Officer of the Company on April 27, 2010. On December 4, 2012, Mr. Henderson resigned as President and Chief Executive Officer, following the appointment of Ian Spence (see below).
- (3) The fair value of these option-based awards was determined as of the grant date of such options using the Black-Scholes option pricing model with the following assumptions: stock volatility, 125%; risk free rate, 1.63%; expected life of options, 5 years; and dividend rate, 0%. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- (4) During the 12 months ended December 31, 2014, the Company paid to Transocean Securities Pty Ltd. ("Transocean"), a company indirectly owned by James Henderson, a total of \$4,978 for corporate advisory services. For the year ended 31 December 2013 this amount was \$5,512 and \$4,978 for the year ended 31 December 2012.
- (5) Of this compensation paid to James Henderson, for the year ended December 31, 2013, a total of \$30,207 was in respect of director fees. For the year ended December 31, 2012 a total of \$150,000 was in respect of director fees and such options were issued to him in his capacity as director. No director fees were paid in the year ended December 31, 2014.
- (6) All remuneration for the year ended December 31, 2013 has been adjusted to reflect terms of a debt settlement between the Company and NEO's that was finalised in December 2013.
- (7) These fees were paid to Portafortuna Pty Ltd., a company directly owned by Lara Iacusso.
- (8) Ian Spence was appointed as CEO of the Company on December 4, 2012.
- (9) The fair value of these option-based awards was determined as of the grant date of such options using the Black-Scholes option pricing model with the following assumptions: stock volatility, 126%; risk free rate, 1.13%; expected life of options, 5 years; and dividend rate, 0%. A discount was also applied to the options that were not vested at the grant date. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

Until December 2013, Mr. Henderson was paid under a corporate advisory services agreement dated September 22, 2011 (the "**Transocean Agreement**") with Transocean, a company indirectly owned by Mr. Henderson. In December 2013, the Transocean Agreement was terminated as a condition to the debt settlement between the Company and all the NEO's.

Until December 2013, Ms. Iacusso was paid under a consulting agreement dated September 22, 2011 (the "**Portafortuna Agreement**") with Portafortuna Pty Ltd., a company directly owned by Ms. Iacusso. In December 2013, the Portafortuna Agreement was terminated as a condition to the debt settlement between the Company and all the NEO's.

Until December 2013, Mr. Spence was employed as the CEO of the Company pursuant to an employment agreement dated December 4, 2012 (the "**Spence Agreement**"). In December 2013, the Spence Agreement was terminated as a condition to the debt settlement between the Company and all the NEO's. There are no current remuneration arrangements for the CEO.

As part of the debt settlement the NEO's agreed to write off the net balance of monies owed, terminate all existing compensation arrangements and cancel all outstanding options held in the Company in return for a fixed agreed amount. The debt settlement was finalised in December 2013.

### Incentive Plan Awards

#### Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards or option-based awards held by a NEO.

During the years ended December 31, 2013 and December 31, 2014, there were no grants of share-based or option-based awards by the company to a NEO.

In December 2013, as part of the debt settlement with all directors and NEO's, all previously granted option-based awards were cancelled.

#### Incentive Plan Awards - Value Vested or Earned During the Year

The value vested or earned for all incentive plan awards during the completed financial years ended December 31, 2013 and December 31, 2014 by each NEO are as follows:

### Value Vested or Earned for Incentive Plan Awards During the Financial Year Ending December 30, 2013

<i>NEO Name</i>	<i>Option-Based Awards - Value Vested During The Year (\$)</i>	<i>Share-Based Awards - Value Vested During The Year (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
<b>James Henderson Chairman, Former President and CEO</b>	Nil <sup>(1)</sup>	Nil	Nil
<b>Lara Iacusso CFO</b>	Nil <sup>(1)</sup>	Nil	Nil
<b>Ian Spence CEO</b>	Nil <sup>(1)</sup>	Nil	Nil

- (1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date, as all options were fully vested on the date of grant. The amount is computed by obtaining the difference between the market price of the Shares underlying the options at grant date and the exercise price of the options under the option-based award.

**Value Vested or Earned for Incentive Plan Awards During the  
Financial Year Ending December 30, 2014**

<i>NEO Name</i>	<i>Option-Based Awards - Value Vested During The Year (\$)</i>	<i>Share-Based Awards - Value Vested During The Year (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
<b>James Henderson Chairman, Former President and CEO</b>	Nil <sup>(1)</sup>	Nil	Nil
<b>Lara Iacusso CFO</b>	Nil <sup>(1)</sup>	Nil	Nil
<b>Ian Spence CEO</b>	Nil <sup>(1)</sup>	Nil	Nil

- (1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date, as all options were fully vested on the date of grant. The amount is computed by obtaining the difference between the market price of the Shares underlying the options at grant date and the exercise price of the options under the option-based award.

Narrative Discussion

As disclosed above, the Company did not vest or award and options during the financial years ended December 31, 2013 and December 31, 2014.

**Pension Plan Benefits**

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

**Termination and Change of Control Benefits**

The Company does not have a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

**Director Compensation**

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the financial years ended December 31, 2013 and December 31, 2014, other than the NEO's previously disclosed:

### Director Compensation Table

<i>Director Name</i> <sup>(1)</sup>	<i>Year</i>	<i>Fees Earned</i> ( <i>\$</i> )	<i>Share-Based Awards</i> ( <i>\$</i> )	<i>Option-Based Awards</i> ( <i>\$</i> )	<i>Non-Equity Incentive Plan Compensation</i> ( <i>\$</i> )	<i>Pension Value</i> ( <i>\$</i> )	<i>All Other Compensation</i> ( <i>\$</i> )	<i>Total</i> ( <i>\$</i> )
Madani Diallo	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	36,458 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	36,458
Malcolm Carson	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	4,675 <sup>(2)</sup>	Nil	Nil	Nil	Nil	2,727 <sup>(4)</sup>	7,402
Larry Phillips	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	4,675 <sup>(2)</sup>	Nil	Nil	Nil	Nil	3,000 <sup>(4)</sup>	7,675
Marshall Auerback <sup>(3)</sup>	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	3,925 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	3,925

- (1) Relevant disclosure has been provided in the Summary Compensation Table above, for directors who receive compensation for their services in their capacity as directors who are also Named Executive Officers.
- (2) All remuneration for the year ended December 31, 2013 has been adjusted to reflect terms of a debt settlement between the Company and the directors that was finalised in December 2013.
- (3) On July 21, 2013 Marshall Auerback resigned from the Board.
- (4) During the financial year ended December 31, 2013, Malcolm Carson and Larry Philips received fees additional for their role in the Special Committee relating to the corporate transaction completed with Oklo Resources Limited during that year.

#### Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has the Stock Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

#### Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards or option-based awards held by a Director.

During the financial years ended December 31, 2013 and December 31, 2014, there were no grants of share-based or option-based awards by the company to a Director.

In December 2013, as part of the Debt Settlement with all directors, all previously granted option-based awards were cancelled.

#### Incentive Plan Awards - Value Vested or Earned During the Year

The value vested or earned for all incentive plan awards during the completed financial years ended December 31, 2013 and December 31, 2014 by each Director are as follows:

**Value Vested or Earned for Incentive Plan Awards During the  
Financial Year Ending December 30, 2013**

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year<sup>(1)</sup></i> (\$)	<i>Share-Based Awards - Value Vested During The Year</i> (\$)	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year</i> (\$)
Madani Diallo	Nil	N/A	N/A
Malcolm Carson	Nil	N/A	N/A
Larry Phillips	Nil	N/A	N/A
Marshall Auerback	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date, as all options were fully vested on the date of grant. The amount is computed by obtaining the difference between the market price of the Shares underlying the options at grant date and the exercise price of the options under the option-based award.

**Value Vested or Earned for Incentive Plan Awards During the  
Financial Year Ending December 30, 2014**

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year<sup>(1)</sup></i> (\$)	<i>Share-Based Awards - Value Vested During The Year</i> (\$)	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year</i> (\$)
Madani Diallo	Nil	N/A	N/A
Malcolm Carson	Nil	N/A	N/A
Larry Phillips	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date, as all options were fully vested on the date of grant. The amount is computed by obtaining the difference between the market price of the Shares underlying the options at grant date and the exercise price of the options under the option-based award.

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

The Company has in place a 10% rolling stock option plan (the “**Plan**”). The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than five years after the issuance of such option. There are currently options outstanding to purchase an aggregate of 150,000 Compass Shares. See "Information Concerning the Company – Authorized and Issued Share Capital – Stock Options".

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2014.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> (a)	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> (b)	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> (c)
<i>Equity compensation plans approved by security holders (the Plan)</i>	175,000 <sup>(2)</sup>	\$0.13	15,045,308 <sup>(1)</sup>
<i>Equity compensation plans not approved by security holders (the Plan)</i>	Nil	N/A	Nil
<b>Total</b>	175,000 <sup>(2)</sup>	\$0.13	15,045,308

- (1) The number of securities remaining available for future issuance under the Company's Plan as at the end of the Company's most recently completed financial year is calculated on the basis of 10% of the Company's issued and outstanding Shares as at such date (being 10% of 152,203,078 = 15,220,308).
- (2) Since the end of the financial year ended December 31, 2014, 25,000 options to purchase Shares expired unexercised.

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

As at April 24, 2015, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity and is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, whether entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such person:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) is indebted to another entity, whose indebtedness 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,

in relation to a securities purchase program or other program.

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

Except as set forth below, none of the directors or executive officers of the Company, any person who has held such a position at any time since the beginning of the last completed financial year of the Company, no proposed nominee for election as a director of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

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

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia was appointed the auditors of the Company on February 17, 2009. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

### **MANAGEMENT CONTRACTS**

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

### **AUDIT COMMITTEE INFORMATION**

#### **The Audit Committee's Charter**

##### *General*

The Audit Committee is a committee of the Board, the primary function of which is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.



The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### *Membership*

The Audit Committee consists of at least three directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX-V and other regulatory agencies as required.

#### *Procedural Matters*

The Audit Committee shall be governed by the following Audit Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

- (a) shall meet at least four times per year, either by telephone conference or in person.
- (b) may invite the Company's external auditors, the CFO, and such other persons are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (c) shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate, at the next Board meeting.
- (d) shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (e) shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.
- (g) has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**"), if applicable, and external auditors.
- (h) has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Audit Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by resolution in writing signed by all the members of the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum, provided that if the number of members of the Audit Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Audit Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

### *Responsibilities*

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management.

### External Auditors

The responsibilities of the Audit Committee are to:

- (a) recommend to the Board:
  - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
  - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative;
- (b) oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company;
- (c) resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;
- (d) take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of TSX-V with respect to approval of non-audit related services performed by the external auditors;
- (e) obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108, *Auditor Oversight*, and are in compliance with governing regulations;
- (f) review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures; and
- (g) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

### Internal Auditors

The Audit Committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Corporation's internal audit function, if any, the Audit Committee shall:

- (a) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;
- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

### Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the

financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits;
- (b) prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter;
- (c) ensure the external auditors have full, unrestricted access to required information and have the cooperation of management;
- (d) review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;
- (e) review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions;
- (f) receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements;
- (g) meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and
- (h) meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

#### Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors;
- (b) conduct all such reviews and discussions with the external auditors and management as it deems appropriate;
- (c) review and, if appropriate approve the interim financial statements and management's discussion and analysis; and
- (d) review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

#### Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review;

- (b) review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan;
- (c) consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies;
- (d) obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable;
- (e) review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management;
- (f) review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, annual information forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents;
- (g) review with management the Company's compliance with applicable laws and regulations respecting financial matters;
- (h) review with management proposed regulatory changes and their impact on the Company; and
- (i) review with management and approve public disclosure of the Audit Committee Mandate in the Company's annual information form, information circular and on the Company's website.

### *Complaints*

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, to the attention of the Chair of the Audit Committee. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair of the Audit Committee will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

### *Reporting*

The Audit Committee shall report to the Board at its regularly scheduled meetings.

### **Composition of the Audit Committee**

The following are the members of the Audit Committee:

James Henderson	Not Independent <sup>(1)(2)</sup>	Financially literate <sup>(1)</sup>
Malcolm Carson	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Larry Phillips	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by NI 52-110 – Audit Committee ("NI 52-110").

(2) Mr. Henderson is not independent as he is the Chairman, and a former President and CEO of the Company.

The Audit Committee currently comprises a majority of independent directors.

### **Relevant Education and Experience**

#### *Mr. Henderson*

Mr. Henderson has specialized in the emerging company market for over 20 years. He is the founder of the Transocean Group which has advised on renewable energy, oil, nickel and rare earths mines in Australia, Canada, the U.S., the U.K. and Singapore. The Transocean Group has been involved in a variety of transactions including mergers, acquisitions, dispositions, takeovers and capital raisings in Singapore, Australia, Canada, the U.S. and the U.K. Mr. Henderson's expertise includes corporate strategy and structure, capital raising and commercial negotiation. He is currently a director of a number of companies including the following publicly-

listed companies: Arak Resources Limited. (AAC:TSX-V) and Oklo Resources Ltd. (OKU:ASX). Mr. Henderson as a director and officer of public companies and as a qualified Chartered Accountant has the ability to read and understand financial reporting especially as this relates to reporting company disclosure obligations under relevant securities laws.

Mr. Henderson holds a B. Comm. from the University of Western Australia and is an Associate of the Institute of Chartered Accountants.

*Mr. Carson and Mr. Phillips*

Relevant education and experience form Mr. Carson and Mr. Phillips is set out in "Executive Compensation - Composition of the Compensation Committee" above.

### **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.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **External Auditors Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
December 31, 2014	\$10,000	\$Nil	\$4,000	\$Nil
December 31, 2013	\$17,000	\$2,500	\$4,250	\$Nil

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying 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).

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public 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. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

Currently the Company's Board consists of five directors, Three of whom are independent based upon the test for independence as set forth in NI 52-110.

Malcolm Carson, Madani Diallo and Larry Phillips are independent. Lara Iacusso is not independent as she is the CFO of the Company. James Henderson is not independent as he is the Chairman and a former President and CEO of the Company.

### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are however able to meet at any time without any members of management, including the non-independent directors, being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

### **Participation of Directors in Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

### **Orientation and Continuing Education**

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

1. information respecting the functioning of the Board and its committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; 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 an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and has instructed its management and employees to abide by the Code.

### **Nomination and Assessment**

The Board has responsibility for identifying potential Board candidates, although a formal process has not been adopted. The Board assesses potential candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

The nominees are generally the result of recruitment efforts by the Board members, including discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members and their contributions.

### **Compensation of Directors and the CEO**

The members of the Compensation Committee are Larry Phillips, Malcolm Carson and Madani Diallo, all of whom are independent. The Compensation Committee has responsibility for determining compensation for the directors and senior management.

The Compensation Committee does not benchmark the Company's executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company. In setting the compensation, the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

The Board has adopted a written charter that sets forth the responsibilities of the Compensation Committee and gives the Compensation Committee the authority to engage outside experts to assist in identifying potential candidates if considered advisable. The key responsibilities of the Compensation Committee are:

- determining and approving the compensation of the Corporation's Chief Executive Officer;
- reviewing and approving compensation for the Corporation's other executive officers;
- fulfilling the Board's oversight responsibilities with respect to the Corporation's overall compensation policies, plans and programs;
- overseeing an evaluation of management succession planning; and
- performing other activities related to the Corporation's compensation plans and structure, including preparing and reviewing any disclosure on executive compensation included in the Corporation's information circular in accordance with applicable rules and regulations promulgated by the Canadian provincial securities regulatory authorities.

A copy of the Charter of the Compensation Committee is available upon request from the Corporate Secretary of the Corporation.

### **Board Committees**

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 other than the Audit Committee and the Compensation Committee are not necessary at this stage of the Company's development.

### **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors. 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.

### **Compensation Committee**

The Compensation Committee is responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

For information relating to the Compensation Committee's report on executive compensation, see "Executive Compensation" above. This Committee meets at least once annually. Currently, the members are Malcolm Carson Madani Diallo and Larry Philips, all of whom are independent directors.

### **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

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

### **Ratification of Stock Option Plan**

The Company has the existing Plan which was first approved by the shareholders of the Company on June 30, 2010, and subsequently re-approved by the shareholders on August 18, 2011 and November 1, 2012. The number of Shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding Shares of the Company at the time of the grant. In addition, the number of Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding Shares on a yearly basis, or 2% if the optionee is engaged in investor relations activities or is a consultant.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted, less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of TSX-V. The Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Under the policies of TSX-V, all "rolling" stock option plans that is, plans which set the number of Shares issuable at a maximum of 10% of the issued and outstanding Shares, must be approved and ratified by shareholders and TSX-V on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION, IT IS RESOLVED that the Company approve and ratify, subject to regulatory approval, the stock option plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding common shares being reserved to any one person on a yearly basis."

### **Consolidation of Common Shares**

It is the opinion of the directors that future equity financing may be required in order for the Company to meet its working capital requirements and to fund any further acquisitions, and that, completion of a share consolidation of the Company's share capital may be desirable in order facilitate attracting new equity investment in the Company.

At this point in time, the Board has not yet determined a definitive consolidation ratio that will also satisfy the Company's financing requirements. The Board, however, does not anticipate that a greater than 40:1 consolidation will be required, i.e. no more than forty (40) pre-consolidation Shares will be consolidated into one (1) post-consolidation Share. The consolidation will not change any shareholder's proportionate interest in the Company.

Under the policies of the TSX Venture Exchange, a share consolidation greater than 10:1 requires approval by the shareholders and, as such, the affirmative votes of a majority of the Shares cast at the Meeting, in person or by proxy, are required in order for the consolidation resolution to be considered passed by the Shareholders.

In the event that the consolidation is conducted on a 40 to 1 basis, the Company will have approximately 3,805,077 Shares outstanding subsequent to the consolidation. The exact number of post consolidation Shares will most likely vary from this approximation to a small extent, depending upon



the treatment of the fractions that will most likely occur when each shareholder's holdings are consolidated on a 40 to 1 basis. As required by the *Business Corporations Act* (British Columbia), if any fractional shares are to be converted into whole Shares, each fractional Share remaining after conversion that is less than one-half of one (1) Share will be cancelled and each fractional Share that is at least one-half of a one (1) Share will be consolidated to one (1) whole Share. At the Meeting, shareholders will be asked to consider, and if thought fit, to approve an ordinary resolution in the following form:

"UPON MOTION, IT IS RESOLVED,

- (a) the board of directors of the Company be and is hereby authorized, subject to approval of the TSX Venture Exchange, to take such actions as are necessary to consolidate all of the common shares of the Company on the basis of one (1) new post-consolidation common share for every forty (40) pre-consolidation common shares, or such lesser number of pre-consolidation common shares that the directors in their discretion may determine; and
- (b) notwithstanding the foregoing authorization, the board of directors of the Company may, at its discretion, determine when such consolidation will take place and may further, at its discretion, determine not to effect a consolidation or to effect the consolidation of all of the common shares of the Company at a ratio lower than 40:1, in each case without requirement for further approval, ratification or confirmation by the shareholders of the Company."

The foregoing resolution permits the Board, without further approval by the shareholders, to select the final consolidation ratio and proceed with the consolidation at any time within six months following the date of the Meeting. Alternatively, the Board may choose not to proceed with the consolidation if the Board, in its discretion, deems that it is no longer desirable to do so.

The Board recommends that shareholders vote in favour of the above ordinary resolution. In order to pass the above resolution, a simple majority of the votes cast by shareholders who are present in person or by proxy at the Meeting is required.

#### Exchange of Share Certificates

If the Consolidation is approved by Shareholders, accepted by the TSXV, and implemented by the Board, Shareholders will be required to exchange their Share certificates representing pre-consolidation Shares for new Share certificates representing post-consolidation Shares.

Following a determination by the Board to implement the consolidation, it is expected that the Transfer Agent will send a letter of transmittal to each Shareholder as soon as practicable after the implementation of the consolidation. The letter of transmittal will contain instructions on how Shareholders can surrender their Share certificates representing pre-consolidation Shares to the Transfer Agent. The Transfer Agent will forward to each Shareholder who has sent in their share certificates representing pre-consolidation Shares, along with such other documents as the Transfer Agent may require, a new Share certificate representing the number of post-consolidation Shares to which such Shareholder is entitled. No share certificates for fractional Shares will be issued.

Shareholders should not destroy any Share certificate and should not submit any Share certificate for a new Share certificate until requested to do so.

#### Risks Associated with the Consolidation

The effect of the Consolidation upon the market price of the Shares cannot be predicted with any certainty. There can be no assurance that the total market capitalization of the Shares immediately following the

Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that any increase in the per-Share market price of the Shares following the consolidation will be sustainable or will equal or exceed the direct arithmetical result of the Consolidation. There are numerous factors and contingencies that could affect the price of the Shares, including the status of the market for the Shares at the time, the Company's operations and general economic, stock market and industry conditions. In addition, a decline in the market price of the Shares after the consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of Shareholders who hold "odd lots" of Shares, which are numbers of Shares not easily divisible into board lots. A board lot is 100, 500, or 1,000 Shares, depending on the market price of the Shares. As a general rule, the cost to Shareholders of transferring an odd lot of Shares is higher than the cost of transferring a board lot.

#### **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, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders contact the Company at 604-638-8067 to request copies of the Company's financial statements and management's discussion and analysis.

Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for the financial year ended December 31, 2013 and financial year ended December 31, 2014, which are filed on SEDAR.

#### **APPROVAL OF INFORMATION CIRCULAR**

This Information Circular and the delivery thereof to the Shareholders in connection with the Meeting has been authorized and approved by the Board.

DATED as of this 24th day of April, 2015.

APPROVED BY THE BOARD OF DIRECTORS

*"Lara Iacusso"*

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Director