

HORNBY BAY MINERAL EXPLORATION LTD.

365 Bay Street, Suite 400

Toronto, Ontario

M5H 2V1

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders (the “**Meeting**”) of Hornby Bay Mineral Exploration Ltd. (the “**Company**”) will be held at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1, on Monday, November 17, 2014, at 9:00 a.m. (Eastern time) for the purpose of:

- (a) receiving the Company's audited consolidated financial statements for the financial year ended March 31, 2014, and the report of the auditor thereon;
- (b) electing directors;
- (c) confirming and appointing the auditor and authorizing the directors to fix its remuneration;
- (d) confirming and approving the Company’s stock option plan; and
- (e) transacting such further and other business as may be properly brought before the meeting or any adjournment thereof.

A shareholder wishing to be represented by proxy at the meeting or any adjournment thereof must deposit his duly executed form of proxy with the Company’s transfer agent and registrar, TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1 not later than 48 hours (excluding Saturday’s, Sunday’s and holidays) prior to the Meeting or any adjournment thereof.

Shareholders who are unable to attend the meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the meeting.

NOTICE-AND-ACCESS

Notice is also hereby given that the Company has decided to use the notice-and-access method of delivery of meeting materials for the Meeting. The notice-and-access method of delivery of meeting materials allows the Company to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, the annual financial statements and related management’s discussion and analysis and other meeting materials (collectively the “**Meeting Materials**”), shareholders receive a notification (the “**Notice-and-Access Notification**”) with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under the Company's profile at www.sedar.com or on the Company's website at www.hornbybay.com.

How to Obtain Paper Copies of the Meeting Materials

Registered holders or non-registered holders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Company's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call the Company's transfer agent toll free at 1-866-393-4891. **Requests should be received by 10:00 a.m. on November 5, 2014 in order to receive the Meeting Materials in advance of the Meeting.**

RIGHT OF DISSENT

Registered shareholders affected by the Elimination of Non-Board Lot Shareholders Resolution have the right to dissent with respect to the Elimination of Non-Board Lot Shareholders Resolution and, if the Elimination of Non-Board Lot Shareholders Resolution becomes effective, to be paid the fair value of their Common Shares in accordance with the provisions of Section 185 of the *Business Corporations Act* (Ontario) ("**OBCA**"). A dissenting shareholder must send to the Company a written objection to the Elimination of Non-Board Lot Shareholders Resolution, which written objection must be received by the Company or the Chairman of the Meeting at or before the Meeting. A Shareholder's right to dissent is more particularly described in the accompanying Circular and the text of Section 185 of the OBCA is set forth as **Schedule "C"** to the Circular. **Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of any right of dissent. Only registered shareholders of the Company are entitled to dissent.**

DATED this 6th day of October, 2014.

BY ORDER OF THE BOARD

"Jim Brady" (Signed)

Chief Executive Officer

HORNBY BAY MINERAL EXPLORATION LTD.

365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“Information Circular”) is furnished in connection with the solicitation by management of Hornby Bay Mineral Exploration Ltd. (the “Company”) of proxies to be used at the annual and special meeting of Shareholders of the Company (the “Meeting”) to be held at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1, on Monday, November 17, 2014, at 9:00 a.m. (Eastern time) and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Except where otherwise indicated, the information contained herein is stated as of October 6, 2014.

SOLICITATION OF PROXIES

Although it is expected that the solicitation of the proxies will be primarily by mail, proxies may also be solicited personally or by telephone or other similar means of communication by the directors and/or officers of the Company at nominal cost. The cost of solicitation will be borne by the Company.

The Company has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for registered shareholders and Beneficial Shareholders (as defined below). The notice-and-access method of delivery of Meeting materials allows the Company to deliver the Meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101-Communication with Beneficial Owners of Securities of a Reporting Issuer.

Registered shareholders will receive a form of proxy and beneficial owners will receive a voting instruction form, enabling them to vote at the Meeting. However, instead of a paper copy of the Meeting materials, generally shareholders receive only this notice with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. Shareholders are reminded to view the Meeting materials prior to voting. Materials can be viewed online under the Company’s profile at www.sedar.com or on the Company’s website at <http://www.hornbybay.com>. The Company will not be adopting stratification procedures in relation to the use of notice-and-access provisions.

Registered holders or Beneficial Shareholders (either those who object to their identity being known to the issuers of securities which they own or those who do not object to their identity being made known to the issuers of the securities they own) may always request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Company’s website. In order to receive a paper copy of the Meeting materials or if you have questions concerning notice-and-access, please call the Company’s transfer agent toll free at 1-866-393-4891. Requests should be received by November 5, 2014 in order to receive the Meeting materials in advance of the Meeting date.

APPOINTMENT, VOTING AND REVOCATION OF PROXIES

Appointment

Any Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the enclosed form of proxy to attend and to vote and act for and on behalf of such person at the Meeting. In order to do so the Shareholder may insert the name of such person in the blank space provided in the form of proxy, or may use another appropriate form of proxy. All proxies must be deposited with the Company's registrar and transfer agent, TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1 not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Company may refuse to recognize any instrument of proxy received after such time.

Voting

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.

Revocation

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited at the offices of the Company's registrar and transfer agent, TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

Interest of Certain Persons in Matters to be Acted Upon

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Beneficial Holders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders

who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. 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 Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Registered Shareholders

As of the close of business on October 6, 2014 (the “**Record Date**”), 58,159,989 Common Shares in the capital of the Company were issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company will prepare a list of holders of Common Shares as of the Record Date. Each holder of Common Shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the Meeting. All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company’s transfer agent within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

Registered shareholders may also, rather than returning the proxy received from the Company by mail or hand delivery, elect to submit a form of proxy by use of the telephone or of the Internet. Those registered holders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences. Registered holders electing to vote by telephone or via the Internet must follow the instructions included in the form of proxy received from the Company.

To the knowledge of the directors and officers of the Company, the only persons or corporations beneficially owning, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Company is:

Name and Municipality of Residence	No. of Common Shares	Percentage
James M. Brady Toronto, Ontario	7,351,700	12.64%

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. RECEIPT OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the fiscal year ended March 31, 2014 and the report of the auditor thereon which accompany this Information Circular, will be submitted to the Meeting. Receipt at the Meeting of the auditor’s report and the Company’s audited consolidated financial statement for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

2. ELECTION OF DIRECTORS

The board of directors currently consists of five (5) directors to be elected annually. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment during the past five years, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of

the date hereof. The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

Name and Municipality of Residence	Principal Occupation	Director Since	Position with the Company	Number of Common Shares Owned Directly or Indirectly or Controlled⁽¹⁾
Maurice Colson ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, ON	Investment Banker	February 3, 2010	Director	Nil
Chris Irwin ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, ON	Lawyer	February 3, 2010	Secretary and Director	2,600,000
Galen McNamara ⁽²⁾⁽³⁾ Toronto, ON	Geologist	February 3, 2010	Director	100,000
John Doran Toronto, ON	Lawyer	February 3, 2010	Director	Nil
James Brady Toronto, ON	President of the Company	April 23, 2014	President & Chief Executive Officer and Director	7,351,700

Notes:

- (1) *The information as to Common Shares owned directly or indirectly or controlled, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Audit Committee.*
- (3) *Member of the Corporate Governance Committee*
- (4) *Member of the Compensation Committee*

Proxies received in favour of management will be voted for the election of the above-named nominees, unless the shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.

As at the date of this Information Circular, the current directors, as a group, directly or indirectly, beneficially own or exercise control or direction over 10,051,700 Common Shares, representing approximately 17.28% of the issued and outstanding Common Shares.

None of the directors or executive officers is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director or chief executive officer or chief financial officer of any company that:

1. was the subject of an order (as defined in Form 51-102F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
2. was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer, other than:
 - (i) Chris Irwin was formerly a director and secretary of Straight Forward Marketing Corporation, which was subject to: a management cease trade order resulting from a failure to file financial statements (the cease trade was ordered on October 2004 and remained in effect until February 2005); and a management cease trade order resulting from a failure to file financial statements. The cease trade was ordered on November 2, 2005 and has not been rescinded as of the date hereof.
 - (ii) Chris Irwin was appointed a director of Brighter Minds Media Inc. on March 9, 2009 to assist with the restructuring of the company, which is subject to a temporary cease trade order resulting from the failure to file financial statements.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is at the date hereof, or has been within 10 years before the date of this Information Circular, a director or executive officer of any 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
- (b) has, within the 10 years before 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 director, executive officer or shareholder.

3. CONFIRMATION AND APPOINTMENT OF AUDITOR

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF WASSERMAN RAMSAY, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Wasserman Ramsay, Chartered Accountants, were first appointed auditors of the Company on August 15, 2014.

4. APPROVAL OF STOCK OPTION PLAN

The Company has adopted a stock option plan (the “**Stock Option Plan**”) for senior officers, directors, employees and consultants of the Company. The Stock Option Plan provides for the issuance of stock options to acquire up to 10% of the Company’s issued and outstanding capital as at the date of grant, subject to standard anti-dilution adjustment. This is a “rolling plan” as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases. At no time will more than 10% of the outstanding shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares of the Company in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below (see “**Statement of Executive Compensation – Long Term Compensation**”).

The Stock Option Plan is a “rolling” stock option plan and under Policy 4.4 of the TSX Venture Exchange (“**TSXV**”), a listed company on the TSXV is required to obtain the approval of its shareholders for a “rolling” stock option plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

1. the stock option plan of the Company as described in the Management Information Circular dated October 6, 2014, be and it is hereby approved.”

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution. **Proxies received in favour of management will be voted FOR the foregoing resolution in respect of the Stock Option Plan, unless a shareholder has specified in the proxy that his or her shares are to be voted against such resolution.**

STATEMENT OF EXECUTIVE COMPENSATION

A. Named Executive Officers

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

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The Company currently has the following two NEOs: James Brady, President and Chief Executive Officer, and Rebecca Hudson, Chief Financial Officer.

B. Compensation Discussion and Analysis

The Compensation Committee of the Company's board of directors is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long term performance.

The Company's compensation philosophy is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Company aligns the goals of executives with maximizing long term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Company business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive; however, due to the Company's current activity level Mr. Brady does not receive a salary. The Compensation Committee reviews compensation practices of similarly situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it

may weigh a particular element more heavily based on the NEO's role within the Company, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry, prior to making its decisions. These companies are used as the Company's primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. In establishing the compensation of the Company's executive officers, the Compensation Committee considered the compensation levels of similar officers in a peer group of companies, selected based on the above criteria.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Aligning the Interests of the NEOs with the Interests of the Company's Shareholders

The Company believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. The Company's objective is to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value.

A combination of base salary, annual bonus and option based compensation is used to motivate executives to achieve overall corporate goals. For the 2014 financial year, the components of executive officer compensation program were:

- base salary or consulting fees;
- annual bonus incentive; and
- option based compensation.

Base salary comprises a portion of the total cash-based compensation; however, annual bonus incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Company's Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the board considers each performance target and the Company's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

The Compensation Committee and the board of directors approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees. The Company is currently not paying Mr. Brady, the President and Chief Executive Officer, a salary due to the Company's lack of activity, however, Ms. Hudson, the Chief Financial Officer, receives an annual salary.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Compensation Committee and the board of directors approve annual incentives.

The success of NEOs in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the board of directors with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full board for decision. The board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

Compensation and Measurements of Performance

The board of directors approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the board and the board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the board of directors under the provisions of the Company's Stock Option Plan. The shareholders of the Company approved the Stock Option Plan at the Special Meeting of shareholders held on September 17, 2013. The purpose of the Stock Option Plan is to encourage common share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated

persons. The Compensation Committee believes that the plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Company's Common Shares. Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the board of directors. The number of shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options. Any shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any common shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the board of directors may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

C. Summary Compensation Table

The table below sets forth information concerning the compensation paid, awarded or earned by each of the NEOs for services rendered in all capacities to the Company during three most recently completed financial year ends.

NEO Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
James Brady President and Chief Executive Officer ⁽¹⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rebecca Hudson Chief Financial Officer	2014	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2013	60,000	Nil	3,360	Nil	Nil	Nil	Nil	63,360
	2012	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Maurice Colson	2014	Nil	Nil	20,612	Nil	Nil	Nil	Nil	20,612
	2013	Nil	Nil	11,760	Nil	Nil	Nil	Nil	11,760

NEO Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
President and Chief Executive Officer ⁽¹⁾	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Maurice Colson resigned as President and Chief Executive Officer effective April 23, 2014 and James Brady was appointed in his stead.
- (2) The fair values of options granted have been estimated on the date of grant using the Black-Scholes option-pricing model.

E. Incentive Plan Awards

Outstanding Option-Based and Share-based Awards

The following table sets out for each NEO, the incentive stock options (option-based awards) and share-based awards outstanding as at March 31, 2014. These incentive stock options either vested at the time of grant or were fully vested during the year ended March 31, 2014. The closing price of the Common Shares on the TSXV on March 31, 2014 was \$0.08.

Name	Option-based Awards ⁽¹⁾				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Maurice Colson President and Chief Executive Officer ⁽³⁾	1,000,000	\$0.20	August 11, 2015	Nil	Nil	Nil
	700,000	\$0.10	October 26, 2015	Nil	Nil	Nil
	275,000	\$0.12	August 23, 2016	Nil	Nil	Nil
Rebecca Hudson Chief Financial Officer	200,000	\$0.20	October 27, 2015	Nil	Nil	Nil
	200,000	\$0.10	October 26, 2015	Nil	Nil	Nil

Notes:

- (1) *The Company has in place the Stock Option Plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of grant. As at March 31, 2014, 5,795,999 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.*
- (2) *Calculated using the closing price of the Common Shares on the TSXV on March 31, 2014 of \$0.08 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.*
- (3) *Maurice Colson resigned as President and Chief Executive Officer effective April 23, 2014 and James Brady was appointed in his stead.*

Value Vested or Earned During the Year

Options granted to the NEOs of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Company's Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.

F. Employment Agreements

The Company does not have in place any employment contract between the Company or any subsidiary or affiliate thereof and any NEO.

G. Pension Plan Benefits

There are no pension plan benefits in place for the NEOs.

H. Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of such person.

I. Director Compensation

The non-executive directors did not receive any compensation for the fiscal year ended March 31, 2014.

The non-executive directors of the Company are not paid an annual retainer for their service as directors and as members of committees of the board of directors.

The number of incentive stock options awarded to directors from time to time and the terms thereof are determined at the discretion of the board of directors with recommendations of the Corporate Governance and Compensation Committee. Incentive stock options are generally allocated with regard to each director's membership on the committees of the board of directors.

Option-based and Share Based Awards to Directors

The following table sets out for each independent director the incentive stock options (option-based awards) and share-based awards outstanding as of March 31, 2014. These incentive stock options vested at the time of grant. The closing price of the Common Shares on the TSXV on March 31, 2014 was \$0.08.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (\$)	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Chris Irwin	500,000 ⁽²⁾	\$0.20	August 11, 2015	Nil	Nil	Nil
	500,000	\$0.10	October 26, 2015	Nil	Nil	Nil
	175,000	\$0.12	August 23, 2016	Nil	Nil	Nil
Galen McNamara	250,000	\$0.20	August 11, 2015	Nil	Nil	Nil
	200,000	\$0.10	October 26, 2015	Nil	Nil	Nil
John Doran	250,000	\$0.20	August 11, 2015	Nil	Nil	Nil
	200,000	\$0.10	October 26, 2015	Nil	Nil	Nil

Note:

- (1) Calculated using the closing price of the Common Shares on the TSXV on March 31, 2014 of \$0.08 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) 500,000 Common Shares are held by Irwin Professional Corporation, a company controlled by Chris Irwin.

Value Vested or Earned During the Year

Options granted to the independent directors of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Company's Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all

equity plans previously approved by the Company's shareholders and all equity plans not approved by the Company's shareholders.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	6,766,666	0.15	29,333 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	6,766,666	0.15	29,333

Note:

(1) *The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As of March 31, 2014, 5,795,999 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.*

AGGREGATE INDEBTEDNESS

As of the date hereof and during the fiscal period ended March 31, 2014 there was no indebtedness owing to the Company in connection with the purchase of securities or other indebtedness by any current or former executive officers, directors, employees of the Company.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time during the fiscal year ended March 31, 2014, or at any time from March 31, 2014 to the date hereof, was, a director, executive officer or senior officer of the Company, each proposed nominee for election as a director, and each associate of any such director, officer or proposed nominee indebted to the Company or any subsidiary or whose indebtedness to another entity is, or at any time during the fiscal year ended March 31, 2014, or at any time from March 31, 2014 to the date hereof, been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 (*Disclosure of Corporate Governance Practices*) ("**NI 58-101**") requires the Company to disclose its corporate governance practices by providing in the Information Circular the disclosure required by Form 58-101F2. NI 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 of directors 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. The Company will continue

to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Form 58 – 101 F2 – Corporate Governance Disclosure (Venture Issuers)

Board of Directors

The Board is currently composed of four directors. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under Multilateral Instrument 52-110 (“**MI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees, James Brady, President and Chief Executive Officer and Chris Irwin, Secretary, are each “inside” or management directors and accordingly are considered not “independent”. The remaining two (2) proposed directors are considered by the Board to be “independent”, within the meaning of MI 52-110. In assessing Form 58-101F1 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
James Brady	Wabi Exploration Inc.
Maurice Colson	Loncor Resources Inc., QMX Gold Corporation, Stetson Oil & Gas Ltd., Searchgold Resources Inc., Delrand Resources Limited, China Goldcorp Ltd., Richco Investors Inc., Banro Corporation
Chris Irwin	Airesurf Networks Holdings Inc., Brighter Minds Media Inc., Blue Vista Technologies Inc., Deveron Resources Ltd., Greencastle Resources Ltd., Kerr Mines Inc., Mag Copper Limited, Mainstream Minerals Corporation, Minnova Corp., Roscan Minerals Corporation and Superior Copper Corporation
Galen McNamara	Wabi Exploration Inc.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board’s continuing education is typically derived from correspondence with the Company’s legal counsel to remain up to date with developments in relevant corporate and securities’ law matters. Additionally, historically board members have been nominated who are familiar with the Company’s and the nature of its business.

Ethical Business Conduct

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Ontario), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Corporate Governance Committee is responsible for proposing new nominees to the Board. The Corporate Governance Committee will select individuals with the desired background and qualifications, taking into account the needs of the Board at the time.

Compensation

To determine compensation payable, the independent directors review compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development and determine an appropriate compensation reflecting 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.

Other Board Committees

In addition to the Audit Committee, the Company has established a Corporate Governance Committee and a Compensation Committee.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning
- monitoring the performance of the Company's assets
- evaluating the principal risks and opportunities associated with the Company's business and overseeing the implementation of appropriate systems to manage these risks

- approving specific acquisitions and divestitures
- evaluating senior management
- overseeing the Company's internal control and management information systems

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

Multilateral Instrument 52-110 (“**MI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in MI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix “A”.

Composition of the Audit Committee

The Audit Committee members are currently Maurice Colson, Chris Irwin and Galen McNamara, each of whom is a director and financially literate. Chris Irwin is not independent by virtue of his officer position with the Company. Maurice Colson and Galen McNamara are independent in accordance with MI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Maurice John Colson; - Mr. Colson holds a masters degree in business administration (McGill University) and did post graduate studies at Oxford University, and he has been involved in the investment business for more than thirty five years. He was managing director in the U.K. for a major Canadian investment dealer for many years, and in Canada, he has been instrumental in providing strategic counsel and assistance with financing to emerging private and public companies. His network in the resource industry has expanded significantly from Canada, and he has been actively involved in financing Canadian companies operating in China, Africa, and South America. He sits on the board of

several TSE and TSX listed companies and is the former Chairman of the Board of Coniagas Resources and was President and CEO of Lithium One Resources, and continues as a director of Lithium One Resources.

Chris Irwin - Mr. Irwin has been a partner Irwin Lowy LLP, Barristers & Solicitors, since January 2010. Prior to that, Mr. Irwin was the President of Irwin Professional Corporation, a legal professional services company from August 2006 to December 2009. Prior thereto, Mr. Irwin was an associate of Wildeboer Dellelce LLP, Barristers & Solicitors, since January 2004. From January 2001 to December 2004, he was an associate of Power Budd LLP, Barristers & Solicitors. Mr. Irwin is a director and/or officer of several public companies.

Galen McNamara – Mr. McNamara is one of the principle geologists of Pioneer Exploration Consultants and one of that company’s co-founders. Having been involved in the mineral exploration business since 2004, he has worked extensively in Ontario, Quebec, Manitoba and Saskatchewan and has experience working on projects in Utah, Nevada, Chile, British Columbia and Nunavut for various junior exploration companies. Galen is a director of both Hornby Bay Mineral Exploration (TSX-V: HBE) and Wabi Exploration (CNSX: WAB). He has Master’s and Bachelor’s degrees in geology from Laurentian University and is a registered professional geoscientist.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Company’s Board of Directors.

Reliance on Exemptions in MI 52-110 regarding

***De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Company’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit); or
2. an exemption from the requirements of MI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of MI 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 in the Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended March 31, 2014 and 2013:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended March 31, 2014	12,250	0	750	0
Year ended March 31, 2013	12,500	0	1,000	0

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the Company’s transition to International Financial Reporting Standards and of the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

INTEREST OF INFORMED PERSON IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in the current financial year or in any proposed transaction that has materially affected or will materially affect the Company. During the year ended March 31, 2010, a former officer of the Company loaned the Company \$30,000 in the form of an unsecured promissory note bearing interest at 12% per annum. During the year ended March 31, 2011, principal and interest in full settlement of the note was paid by the Company. The amount owing to a shareholder at March 31, 2013 of \$208,618 is due on demand, unsecured and non-interest bearing. The Company executed a debenture with the same shareholder in the amount of \$1,500,000 bearing interest at 3% per annum, which is payable at maturity and matures on November 1, 2017. The Company may extend the maturity date to November 1, 2022 with 30 days’ notice.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides security holders of the Company with, in addition to any other rights that they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or a notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. The

Company's security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Securityholders may contact the Company in order to request copies of the Company's consolidated financial statements at the offices of the Company at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1. Financial information about the Company may be found in the Company's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year

GENERAL

The contents and the sending of the Notice of Meeting and this Information Circular to each shareholder of the Company entitled thereto, each director of the Company, the auditor of the Company and, where required, all applicable securities regulatory authorities have been approved by the board of directors of the Company.

DATED at Toronto, Ontario, this 6th day of October, 2014.

"James Brady" (Signed)

James Brady
President & Chief Executive Officer

Appendix “A”

HORNBY BAY MINERAL EXPLORATION LTD.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Name

There shall be a committee of the board of directors (the “Board”) of Hornby Bay Mineral Exploration Ltd. (the “Company”) known as the Audit Committee (the “Committee”).

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management’s Discussion and Analysis (“MD&A”);
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Company’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Company’s external auditors, management, and the Board.

Composition and Qualifications

All Committee members shall meet all applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. Each member shall be a director and a majority of the members shall be independent directors who are free from any direct or indirect relationship that would, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be “financially literate” so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company’s financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be disseminated to Committee members two days prior to each meeting. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

Specific Responsibilities and Duties

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

General Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.
2. Review the Company's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
3. Annually, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board of Directors.
5. Review with financial management and the external auditors the Company's quarterly financial results, related MD&A and other documents prior to the filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

External Auditors

6. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.
7. The Committee must approve all non-audit and non-tax services to be provided to the Company or its subsidiary entities, unless such non-audit and non-tax services are reasonably expected to constitute not more than twenty (20) percent of the total fees paid by the Company to the external auditor during the particular fiscal year.
8. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence.
9. Review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.
10. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
11. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

Legal Compliance

12. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Other Miscellaneous Responsibilities

13. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
14. Prepare and disclose a summary of the Mandate to shareholders.
15. Perform any other activities consistent with this Mandate, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Authority

The Committee shall have the authority to:

1. delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;
3. set and pay the compensation for any advisors employed by the Committee;
4. communicate directly with the external auditors;

Reporting

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Resources

The Committee shall have full and unrestricted access to all of the Company's books, records, facilities and personnel as well as the Company's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or the Company's external counsel or auditors to attend a meeting of the Committee.

Limitation on the Oversight Role of the Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

HORNBY BAY MINERAL EXPLORATION LTD.

Procedures for Receipt of Complaints and Submissions

Relating to Accounting Matters

1. The Company shall inform employees on the Company's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

Procedures for Approval of Non-Audit Services

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.

2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.