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ARIANNE PHOSPHATE INC.

**ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS
MANAGEMENT PROXY CIRCULAR**

May 24, 2016

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting (the “**Meeting**”) of the shareholders of Arianne Phosphate Inc. (the “**Corporation**”) will be held at the offices of Fasken Martineau located at 800 Square Victoria, Suite 3700, Montreal (Quebec), H4Z 1E9, on June 28, 2016 at 2 p.m. (local time), for the following purposes:

- (1) to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2015 and the Auditor's report thereon;
- (2) to elect the directors of the Corporation for the ensuing year;
- (3) to appoint the Auditors of the Corporation, PricewaterhouseCoopers LLP, for the ensuing year and to authorize the directors to fix its remuneration;
- (4) to approve the rolling stock option plan; and
- (5) to transact such other matters as may properly come before the Meeting and any adjournment thereof.

You have the right to receive notice of and to vote at the Meeting if you were a shareholder of the Corporation on the close of business on May 24, 2016. The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to be part of this Notice.

Saguenay, Quebec, May 24, 2016

BY ORDER OF THE BOARD OF DIRECTORS,

(s) James Cowley _____

James Cowley
Chief Financial Officer

THE BOARD OF DIRECTORS INVITES EACH SHAREHOLDER TO PERSONALLY ATTEND THE MEETING. IF YOU ARE UNABLE TO ATTEND THE MEETING IN PERSON, YOU MAY BE REPRESENTED BY PROXY. SUCH PROXY IS NOT REQUIRED TO BE A SHAREHOLDER TO ACT IN SUCH CAPACITY.

SHAREHOLDERS ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY FORM IN THE ENVELOPE PROVIDED AT THEIR EARLIEST CONVENIENCE. THE VOTING RIGHTS ATTACHED TO YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS INDICATED ON THE PROXY FORM.

ARIANNE PHOSPHATE INC.
(the "Corporation")

INFORMATION CIRCULAR

May 24, 2016

SOLICITATION OF PROXIES

This management information circular (the "**Circular**") pertains to the solicitation, by management of the Corporation of proxies to be used at the Annual and Special Meeting of the Shareholders of the Corporation (the "**Meeting**") which will be held on the date, at the place and for the purposes indicated in the attached notice of meeting (the "**Notice of Meeting**") or any adjournment thereof. The Corporation is assuming the cost of this solicitation. It is expected that the solicitation will be made primarily by mail. Accordingly, the management of the Corporation has drafted this Circular that it is sending to all the security holders entitled to receive a Notice of Meeting.

QUORUM FOR THE TRANSACTION OF BUSINESS

The Corporation's by-laws provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of two or more shareholders, present in person or represented by proxy, holding at least 5% of the votes attached to outstanding voting shares of the Corporation.

APPOINTMENT OF PROXY

A shareholder that holds his shares directly in his name (a "**Registered Shareholder**") who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at www.investorvote.com or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (Montreal time) on June 23, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The persons named in the enclosed form of proxy are directors and officers of the Corporation. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct him or her on how the Registered Shareholder's shares are to be voted.

Shareholders who are not Registered Shareholders should refer to the section "Non-Registered Holders" below.

REVOCATION OF PROXY

A Registered Shareholder who has submitted a form of proxy as directed herein may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m. (Montreal time) on June 23, 2016 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the chairman of the Meeting on the day of the Meeting before the commencement of the Meeting, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

EXERCISE OF DISCRETIONARY POWER BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them.

In the absence of instructions, the agent will exercise the right to vote IN FAVOUR of each question defined on the form of proxy, in the notice of meeting or in the Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting, or any adjournment thereof. If such amendments or new points were to be properly brought before the Meeting, or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

NON-REGISTERED HOLDERS

The information set forth in this section should be reviewed carefully by the non-registered shareholders. Shareholders who do not hold their shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder's name. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted 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.

Regulation 54-101 *respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**Regulation 54-101**") of the Canadian Securities Administrators 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 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 form of proxy provided directly to Registered Shareholders by the Corporation.

The vast majority of brokers now delegate responsibility of obtaining instructions from clients to Broadridge Financial Solutions Inc. (“BFSI”) in Canada. BFSI typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to BFSI, or otherwise communicate voting instructions to BFSI (by way of the Internet or telephone, for example). BFSI 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 BFSI voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to BFSI (or instructions respecting the voting of shares must otherwise be communicated to BFSI) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary for assistance.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBO’s**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBO’s**”). Subject to the provision of Regulation 54-101 issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation’s OBO’s can expect to be contacted by BFSI or their brokers or their broker’s agents as set out above.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or his or her broker’s agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares as proxyholder for the registered shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker’s agent) and return it to that broker (or that broker’s agent) in accordance with the broker’s instructions (or the agent’s instructions).

All references to shareholders in this Circular, the enclosed form of proxy and the Notice of Meeting are to the Registered Shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- (a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year;
- (b) each proposed nominee for election as a director of the Corporation; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SHARES AND THEIR PRINCIPAL HOLDERS

The share capital of the Corporation is made of an unlimited number of common shares without par value. As at the date hereof, the Corporation had 97,225,755 common shares issued and outstanding. Each common share of the Corporation confers upon its holder the right to one (1) vote at the Meeting.

As at the date hereof, to the knowledge of the directors and senior officers of the Corporation, there is no beneficial owner or person exercising control or direction over the Corporation's common shares and carrying more than 10 % of the outstanding voting rights.

You have the right to receive a Notice of Meeting and vote at the Meeting if you are a shareholder of the Corporation on the close of business on May 24, 2016.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements Presentation

The annual report, including the financial statements of the Corporation for the financial year ended December 31, 2015 and the related auditor's report, will be presented at the Meeting.

Election of the Directors

Under its by-laws, the Corporation is administered by a board of directors (the "**Board of Directors**"). The mandate of each director elected at the Meeting expires on the date of the next annual meeting of shareholders following his election or appointment or on the date when his successor is elected or appointed, unless such director resigns or his position becomes vacant due to his death or another reason according to the by-laws of the Corporation. Mr. Pierre Fitzgibbon is not standing for re-election as a director of the Corporation at the Meeting.

You can vote for the election of all the candidates described below, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described below as director of the Corporation.

Management of the Corporation considers that none of the candidates will be unable to act as director or no longer wishes, for any reason, to fulfill this function, but in the event of a change for any reason whatsoever before the Meeting is held, the persons mentioned in the attached proxy form reserve the right to vote for other candidates of their choice unless the shareholder has indicated in the form of proxy his wish to abstain from exercising the voting rights attached to his shares at the time of the election of the directors.

Name	Office Held	Director Since	Number of Shares Beneficially Owned or Over Which Control is Exercised as of May 24, 2016	Present Principal Occupation
James Cowley ⁽¹⁾ Utah, United States	Director and Interim CFO	January 20, 2011	103,788	Consultant
David DeBiasio ⁽²⁾ British Columbia, Canada	Director	August 24, 2011	30,000	Retired – Former VP Energy and Raw Materials at Agrium
Marco Gagnon ⁽¹⁾ Quebec, Canada	Director	February 3, 2011	50,000	President and director of Adventure Gold Inc.
Siva Pillay ⁽¹⁾ Kent, United Kingdom	Director	March 19, 2013	10,000	Managing Director of Ocean Partners Holdings Limited
Steven Pinney ⁽²⁾ Minnesota, United States	Director	June 10, 2013	25,000	Retired executive

Name	Office Held	Director Since	Number of Shares Beneficially Owned or Over Which Control is Exercised as of May 24, 2016	Present Principal Occupation
Dominique Bouchard ⁽²⁾ Québec, Canada	Vice-Chairman of the Board	June 17, 2013	36,700	VP Ressources of Université du Québec à Chicoutimi
Brian Ostroff ^{(1) (2)} Québec, Canada	Director and CEO	June 3, 2014	2,968,700 ⁽³⁾	CEO of Arianne Phosphate inc. ⁽⁴⁾⁽⁵⁾
Jean Lamarre ^{(1) (2)} Québec, Canada	Chairman of the Board	March 14, 2016	-	Chairman of the Board of Arianne Phosphate inc. and President of Lamarre Consultants.

(1) Members of the Audit Committee. The president of this committee is Siva Pillay.

(2) Members of the Human Resources and Corporate Governance Committee. The president of this committee is David DeBiasio.

(3) Of these common shares, 331,100 are owned directly by Mr. Ostroff; 610,900 are owned by Copia Capital Corp., a company wholly-owned by Mr. Ostroff; 102,500 are owned by Mr. Ostroff's spouse; 489,200 are owned by Futoplan Corp. Ltd., a company wholly-owned by Mr. Ostroff's parent; and 1,435,000 are owned by 1415444 Alberta Ltd., a company of which Mr. Ostroff holds less than 10% of the outstanding shares.

(4) Brian Ostroff is still a Director and Executive Vice-President of Windermere Capital (Canada) Inc. (a portfolio management company). Windermere Capital (Canada) Inc. is engaged as the investment advisor to Windermere Capital (Cayman) Ltd., the investment manager of Breakaway Strategic Resource Segregated Portfolio and Navigator Segregated Portfolio. Windermere Capital (Canada) Inc. owns 1,333,240 common shares of the Corporation. Breakaway Strategic Resource Segregated Portfolio owns 7,476,789 common shares of the Corporation. Navigator Segregated Portfolio owns 8,084,011 common shares of the Corporation.

(5) Brian Ostroff was appointed as CEO on March 14, 2016

The information relating to the number of common shares held or over which control is exercised has been provided by each nominee.

The mandate of the directors will expire at the next annual meeting of the shareholders of the Corporation.

Except for Jean Lamarre, the Chairman of the Board, all of the nominees whose names are hereinabove mentioned have previously been elected directors of the Corporation at a shareholders' meeting for which an information circular was issued.

Jean Lamarre is Chairman of the Board of Arianne Phosphate Inc. since March 2016. He is also SEMAFO'S Chairman of the Board of Directors since 2000 and served as Executive Chair of the Board from June 2008 to December 31, 2014. From 1977 through 1992, Mr. Lamarre held various positions of significant responsibility with Groupe Lavalin Inc., including Vice President, Finance. From 1992 to 1995, he was the Vice President, Special and International Projects for Groupe Canam Manac. In 1995, he became President of Lamarre Consultants, a company representing national and international companies in their efforts to establish or expand their business in Quebec. Mr. Lamarre sits on the board of directors of several public and privately held companies such as D BOX Technologies Inc., Télé-Québec, Le Devoir and TSO3 Inc. He is also a member of the independent review committee of Investors Group Investment Management Ltd. Mr. Lamarre has 40 years of business experience in Africa. He holds a BBA in applied economics from HEC Montréal.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, except for Jean Lamarre, the Chairman of the Board, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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 last ten years, 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 his assets.

Mr. Lamarre was a director of Medical Intelligence Technologies Inc. which filed for and obtained protection under the Companies’ Creditors Arrangement Act (Canada) (CCAA) and subsequently made an assignment of its property on February 9, 2010. He was also a director of 6941249 Canada Inc. (known as Mechtronix), which filed a notice of intent to make a proposal to its creditors under the Bankruptcy and Insolvency Act (Canada) on May 15, 2012 and then filed an assignment for the benefit of its creditors on August 3, 2012. Mr. Lamarre was also a director of Mango Industrie de Cuivre Inc., which filed for protection under the CCAA in 2012 and remains subject thereto.

To the knowledge of the Corporation, none of the nominees for election as director of the Corporation has been subject to:

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

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Interpretation

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) the Chief Executive Officer (“CEO”);
- (b) the Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Jean-Sébastien David, COO, James Cowley, Interim CFO (James Cowley was appointed Interim CFO on August 26, 2015) and Dino Fuoco, former CFO (Dino Fuoco resigned as CFO on July 3, 2015).

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Policy Objectives

The executive compensation policy of the Corporation is designed to offer competitive compensation enabling the Corporation to attract and retain qualified, high-calibre staff. It will seek to motivate executive officers to achieve strategic objectives so as to maximize the long-term return on shareholders' investment.

The strategic initiatives that guide management and directors can be summarized as follows:

Over the short term:

- Reduce cash operating production costs and capital expenses;
- Continue our ongoing effort to communicate with our stakeholders and the community at large
- Assist the Port of Saguenay in securing environmental permitting from CEEA; and
- Secure financing for construction and development of the Lac-à-Paul project (the “Project”).

Over the long term, the Corporation’s goal remains to build a profitable phosphate mine, start production and generate economic returns and benefits for our shareholders as well as stakeholders in the Saguenay-Lac-St-Jean.

Components of aggregate compensation

The aggregate compensation of the NEOs currently consists of one or more of the following elements:

- (a) a base monetary compensation;
- (b) annual bonus; and
- (c) option grants designed to attract experienced personnel and encourage them to promote the Corporation's interests and activities to the best of their knowledge.

Base compensation

The base cash compensation of each NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base cash compensation review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of each NEO. Base compensation is not evaluated against a formal “peer group”. The Board of Directors relies on the general experience of its members in setting base compensation amounts.

Bonus

In addition to a fixed base salary, each NEO is eligible to receive a bonus meant to motivate the NEO and is determined on a case by case basis.

The bonus program is based on certain objectives and overall corporate strategy. The amount of the bonus is based upon individual achievements and realization of corporate strategies. The following are the Corporation’s objectives used in determining the bonus:

- Continue the Project development, add value to and de-risk the Project;
- Engage in discussions with potential industry and financial partners with the objective of securing strategic investment and offtake contracts;
- Secure the required financing for the Corporation’s ongoing operations; and
- Develop financing scenarios and move towards securing financing for the Project’s realisation phase.

Long-Term Incentive compensation

Option grants are an integral part of the compensation program as they reinforce the NEO’s alignment with shareholder value. Option grants are established by the Board of Directors on a continuous basis, based on the progress of the Corporation.

The Corporation has established a formal plan (the “**Stock Option Plan**”) under which stock options are granted to directors, officers, employees, and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board of Directors determines which NEOs (and other persons) are entitled to participate in the Stock Option Plan, determines the number of options granted to such individuals and determines the date on which each option is granted and the corresponding exercise price and expiry date. For further information regarding the Stock Option Plan refer to section “Securities Authorized for Issuance Under Equity Compensation Plans”.

External Compensation Consultants

During the fiscal years ended December 31, 2015 and 2014, the Corporation did not retain the services of executive compensation consultants to assist the Board of Directors in determining compensation for any of the Corporation’s Named Executive Officers or directors.

Compensation Risk Management

Given the development stage of the Corporation, the Board of Directors has not proceeded to an evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices.

The Board of Directors has adopted a written code of ethics (the “Code”) which, among other things, sets out that the Corporation’s directors, officers and employees must not under any circumstance, engage in hedging activities or in any other type of operation with exchange-traded options of the Corporation securities or other types of derivative financial instruments related to the Corporation’s securities, including call and put options. In addition, these individuals must not sell the Corporation’s securities that they do not already own.

A- COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation for the three most recently completed financial year:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁵⁾	Long-term incentive plans			
Jean-Sébastien David	2015	216,750	-	-	51,370	-	6,750	-	274,870
	2014	212,885	-	-	22,015	-	6,387	-	241,287
	2013	164,135	8,750 ⁽¹⁾	115,875 ⁽²⁾	61,250	-	2,458	-	352,468
James Cowley ⁽⁶⁾	2015	-	-	22 000 ⁽³⁾	-	-	-	72,800	94,800
Dino Fuoco ⁽⁷⁾	2015	128,868	-	-	-	-	-	-	128,868
	2014	74,423	-	118,750 ⁽⁴⁾	10,265	-	-	-	203,438

(1) On December 20, 2013, the Corporation granted to Jean-Sébastien David 6,629 common shares in relation to a bonus at a price of \$1.32 per share.

(2) The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: weighted average risk free interest rate: 1.25%; weighted average expected volatility: 105%; weighted average expected life: 6 years; and weighted average expected dividend yield: 0%.

(3) The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: weighted average risk free interest rate: 1.24%; weighted average expected volatility: 69.5 %; weighted average expected life: 6 years; and weighted average expected dividend yield: 0%.

(4) The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: weighted average risk free interest rate: 1.68%; weighted average expected volatility: 70%; weighted average expected life: 6 years; and weighted average expected dividend yield: 0%.

(5) Cash payment.

(6) Mr. Cowley was appointed interim CFO on August 26, 2015.

(7) Mr. Fuoco was appointed as CFO on August 25, 2014 and resigned on July 3, 2015.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Corporation:

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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jean-Sébastien David	62,500	1.32	Dec. 19, 2023	-	-	-	-
	50,000	1.12	Jan. 13, 2023	-	-	-	-
	300,000	1.16	April 23, 2022	-	-	-	-
James Cowley	40,000	0.85	May 31, 2025	6,000	-	-	-
	40,000	1.32	Dec. 19, 2023	-	-	-	-
	50,000	1.15	Sept. 24, 2022	-	-	-	-
	300,000	1.37	Aug. 23, 2021	-	-	-	-
	200,000	0.37	Jan. 19, 2021	126,000	-	-	-
Dino Fuoco	-	-	-	-	-	-	-

(1) Based on the December 31, 2015 closing price of \$1.00 for the Corporation's common shares. The value of unexercised in-the-money options includes all options, both vested and not vested.

Value vested or earned during the most recently completed financial year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jean-Sébastien David	-	-	51,370
James Cowley	-	-	-
Dino Fuoco	-	-	-

Pension Plan Benefits

Defined Benefit Plan

The Corporation does not have a defined benefits pension plan.

Defined Contribution Plan

On July 1st, 2013, the Corporation implemented a defined contribution plan (the “Plan”). An individual who has elected to participate in the Plan may make personal contributions to the Plan in an amount equal to a percentage of his or her eligible earnings which must be between 1% and 6% of his eligible earnings. The Corporation will make employer contributions to the Plan for the benefit of each participant in an amount of 50% of the participant’s contribution, subject to a maximum of 3%.

The following table shows the accumulated values for each eligible NEO under the Plan:

Name	Accumulated Value at start of year (\$) ⁽¹⁾	Compensatory (\$) ⁽²⁾	Accumulated Value at year end (\$) ⁽³⁾
Jean-Sébastien David	8,969	6,750	15,719

(1) The accumulated value at start of year is the account balance as at December 31, 2014.

(2) The compensatory component represents the amount of employer contributions from January 1, 2015 to December 31, 2015.

(3) The accumulated value at year end is the account balance as at December 31, 2015.

Termination and Change of Control Benefits

At the end of the most recently completed financial year, there were no employment contracts, agreements, plans, or arrangements for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Corporation, or a change in a NEO's responsibilities, except as follows.

Pursuant to an employment agreement dated April 23, 2012, between Mr. Jean-Sébastien David (Chief Operating Officer) and the Corporation, if the employment of Mr. David, is terminated by the Corporation for any reason other than for cause, the Corporation is required to pay to Mr. David a lump sum equal to twelve (12) months base salary (i.e. \$225,000 based on his current base salary). Furthermore, should Mr. David's employment be terminated following the sale of a substantial part of the Corporation's assets or a change of control, the Corporation is required to pay to Mr. David a lump sum amount equal to two (2) times his then annual base salary (i.e. \$450,000 based on his current base salary of \$225,000).

For the purpose of Mr. David's employment agreement, "change of control" is defined as follows:

- (a) a person or a group of persons acting jointly or in concert (i) become(s) the owner, directly or indirectly, of fifty (50%) percent or more of the voting shares in the capital of the Corporation or (ii) hold(s) a sufficient number of voting shares to allow them to vote in the majority of the directors of the Corporation;
- (b) a person or a group of persons acting jointly or in concert present(s) a public offer with respect to the buying or exchanging of shares on fifty (50%) percent or more of the voting shares of the Corporation that is followed by an approval of the shareholders; or
- (c) at any time when the majority of the persons acting as directors of the Corporation at the date the agreement is effective cease to be director and the majority of the replacing directors of the Corporation are not the persons proposed by the senior management of the Corporation at an unchallenged election.

B- DIRECTORS COMPENSATION

Director compensation table

The following table sets forth information with respect to all amounts of compensation provided to the directors who were not NEOs of the Corporation for the most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
David DeBiasio	-	-	22,000	-	-	-	22,000
Marco Gagnon	-	-	22,000	-	-	-	22,000
Siva Pillay	-	-	34,625	-	-	-	34,625
Steven Pinney	-	-	22,000	-	-	-	22,000
Dominique Bouchard	-	-	46,750	-	-	25,000 ⁽²⁾	71,750
Pierre Fitzgibbon ⁽³⁾	4,167	-	46,750	-	-	-	50,917
Brian Ostroff	-	-	76,200	-	-	-	76,200

(1) The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: weighted average risk free interest rate: 1.25%; weighted average expected volatility: 69 %; weighted average expected life: 6 years; and weighted average expected dividend yield: 0%.

(2) Fees related to a special mandate.

(3) Mr. Fitzgibbon is not standing for re-election as a director of the Corporation at the Meeting.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors who were not NEOs of the Corporation:

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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
David DeBiasio	40,000	0.85	May 31, 2025	6,000	-	-	-
	60,000	1.30	Apr. 9, 2024	-	-	-	-
	60,000	1.07	Nov. 26, 2022	-	-	-	-
	500,000	1.37	Aug. 23, 2021	-	-	-	-
Marco Gagnon	40,000	0.85	May 31, 2025	6,000	-	-	-
	60,000	1.30	Apr. 9, 2024	-	-	-	-
	55,000	1.07	Nov. 26, 2022	-	-	-	-
	150,000	1.37	Aug. 23, 2021	-	-	-	-
	150,000	0.58	Feb. 2, 2021	63,000	-	-	-
	50,000	1.25	May 12, 2021	-	-	-	-
Siva Pillay	25,000	0.86	Sept. 3, 2025	3,500	-	-	-
	40,000	0.85	May 31, 2025	6,000	-	-	-
	60,000	1.30	Apr. 9, 2024	-	-	-	-
	200,000	1.25	June 2, 2023	-	-	-	-
Steven Pinney	40,000	0.85	May 31, 2025	6,000	-	-	-
	60,000	1.30	Apr. 9, 2024	-	-	-	-
	200,000	1.22	June 9, 2023	-	-	-	-
Dominique Bouchard	85,000	0.85	May 31, 2025	12,750	-	-	-
	60,000	1.30	Apr. 9, 2024	-	-	-	-
	100,000	1.00	Oct. 14, 2024	-	-	-	-
	200,000	1.19	June 17, 2023	-	-	-	-
Pierre Fitzgibbon	85,000	0.85	May 31, 2025	12,750	-	-	-
	45,000	1.30	Apr. 9, 2024	-	-	-	-
	200,000	1.00	Oct. 14, 2024	-	-	-	-
	200,000	1.17	Sept. 10, 2023	-	-	-	-
Brian Ostroff	40,000	0.86	June 29, 2025	5,600	-	-	-
	100,000	0.85	May 31, 2025	15,000	-	-	-
	200,000	1.00	Oct. 14, 2024	-	-	-	-

(1) Based on the December 31, 2015 closing price of \$1.00 for the Corporation's common shares. The value of unexercised in-the-money options includes all options, both vested and not vested.

Value vested or earned during the most recently completed financial year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors who were not NEOs of the Corporation during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David DeBiasio	-	-	-
Marco Gagnon	-	-	-
Siva Pillay	-	-	-
Steven Pinney	-	-	-
Dominique Bouchard	-	-	-
Pierre Fitzgibbon	-	-	-
Brian Ostroff	400	-	-

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2015, the end of the Corporation's financial year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the shareholders	5,121,167	1,10	4,561,409
Equity compensation plans not approved by the shareholders	-	-	-
Total	5,121,167	1,10	4,561,409

Stock Option Plan

Pursuant to the Stock Option Plan, the Board of Directors may, from time to time and at its discretion, grant to directors, officers, employees, management, company employees or consultants of the Corporation options to acquire common shares of the Corporation. Pursuant to the Stock Option Plan:

1. The maximum number of common shares which may be issued under the Stock Option Plan shall be equal to ten percent (10%) of the issued and outstanding common shares of the Corporation from time to time;
2. Any common shares underlying options that have expired without being exercised shall be subsequently available for other awards under the Stock Option Plan;
3. The maximum number of common shares which may be reserved for issuance in favour of an option, in any twelve (12) month period, is limited to 5% of the common shares issued and outstanding;

4. The total number of options awarded to a consultant within a 12-month period shall not exceed 2% of the issued and outstanding common shares of the Corporation. Options awarded to a consultant shall be acquired in instalments over a 12-month period following their awarding, at a rate of 25% per three-month period;
5. The total number of options awarded to all persons providing investor relations services within a 12-month period shall not exceed 2% of the issued and outstanding common shares of the Corporation. Options awarded to any person providing investor relations services shall be acquired in instalments over a 12-month period following their awarding, at a rate of 25% per three-month period. No acceleration of the vesting provision is allowed without prior TSX Venture Exchange (the “**Exchange**”) acceptance, in connection with options held by persons providing investor relations services;
6. The total number of options awarded to insiders (as a group), within a 12-month period, shall not exceed 10% of the number of issued and outstanding common shares of the Corporation at the time of the award (on an undiluted basis) unless disinterested shareholder approval is obtained.
7. The Board of Directors shall fix the price at which an optionholder may purchase a common share upon exercise of such option, which price shall not be less than the closing price of the common shares on the Exchange, subject however to a minimum exercise price of \$0.10;
8. Options are exercisable for a maximum period of ten (10) years;
9. Upon the termination of an optionholder’s employment or of the Corporation’s relationship with a consultant for just cause, any options that have not yet been exercised shall immediately terminate. Upon an optionholder’s early retirement, resignation, termination of employment or end of his duties for any reason other than death or just cause, the expiry date of any options held by such optionholder shall be deemed to be the earlier of the expiry date set forth on his option certificate or the date that is twelve (12) months after the termination of employment or after he ceased to hold a position or perform his duties. In the case of a person who provides investor relations services, the expiry date of any options he held shall be deemed to be the earlier of the expiry date set forth on the option certificate or the date that is thirty (30) days after he ceased to perform his duties. If an optionholder dies or, in the opinion of the Board of Directors, becomes permanently disabled, the options he was awarded or the remainder thereof may be exercised by the optionholder or his legatees under the provisions of his last will and testament or by his personal representative. The options shall be exercised no later than the earlier of (i) the expiry date of the options or (ii) the expiry of a period of twelve (12) months after the date of the optionholder’s death or permanent disability;
10. The vesting of the rights under each option shall occur in three equal annual instalments, commencing on the first anniversary of the grant date of the option; and
11. The options are non-assignable and not-transferable.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal year ended December 31, 2015, and as at the date of this Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

APPOINTMENT OF THE AUDITORS

The auditors of the Corporation are PricewaterhouseCoopers, LLP/s.r.l./s.e.n.c.r.l., chartered accountants (“**PricewaterhouseCoopers LLP**”).

The Board of Directors recommends that PricewaterhouseCoopers LLP be appointed as the Corporation’s auditors for the financial year ending December 31, 2016, and that the Board of Directors be authorized to fix the remuneration of the auditors.

The persons designated in the accompanying form of proxy will vote IN FAVOUR of the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation and IN FAVOUR of the authorization given to the Board of Directors to fix their remuneration, unless the shareholder specifies in the form of proxy to withhold from voting in this regard.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPROVAL OF THE STOCK OPTION PLAN

The material terms and conditions of the Stock Option Plan are set out under the heading “Stock Option Plan” in this Circular.

Under the Stock Option Plan, the Board of Directors may, from time to time and at its discretion, grant to directors, officers, employees, management, company employees or consultants of the Corporation options to acquire common shares of the Corporation, provided that the number of options granted does not exceed a maximum of 10% of the aggregate number of common shares of the Corporation issued and outstanding.

Consequently, the number of common shares that are reserved under the Stock Option Plan is automatically increased or decreased as the number of issued and outstanding common shares of the Corporation increases or decreases.

This is known as a “rolling” stock option plan.

Under the rules of the Exchange, a “rolling” stock option plan must receive shareholder approval yearly, at the annual meeting of shareholders.

Accordingly, the Corporation’s shareholders will be asked to adopt the following resolution:

“IT IS RESOLVED;

1. **THAT** the Stock Option Plan of the Corporation, as described in the Circular dated May 24, 2016 be and it is hereby approved and confirmed; and
2. **To** authorize any one director or officer of the Corporation to do all acts and things, to execute and to deliver all agreements, documents and instruments, to give all notices and to deliver file and distribute all documents and information with such person determined to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolution.”

In order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders, either present in person or represented by proxy at the Meeting.

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the resolution approving the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL OPERATIONS

The management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, shareholder of the Corporation holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding common shares of the Corporation or any associate or affiliate of any such person would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation, other than what is disclosed in this Circular.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Audit Committee's charter is attached hereto as Schedule A.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy ⁽¹⁾
Jean Lamarre	Independent	Financially Literate
Marco Gagnon	Independent	Financially Literate
Siva Pillay	Independent	Financially Literate
James Cowley	Non-Independent	Financially Literate
Pierre Fitzgibbon	Non-Independent	Financially Literate
Brian Ostroff	Non-Independent	Financially Literate

(1) The definition of Independence and Financial Literacy are found in Regulation 52-110 respecting Audit Committee.

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is set out below.

Jean Lamarre is Chairman of the Board of Arianne Phosphate Inc. since March 2016. He is also SEMAFO'S Chairman of the Board of Directors since 2000 and served as Executive Chair of the Board from June 2008 to December 31, 2014. From 1977 through 1992, Mr. Lamarre held various positions of significant responsibility with Groupe Lavalin Inc., including Vice President, Finance. From 1992 to 1995, he was the Vice President, Special and International Projects for Groupe Canam Manac. In 1995, he became President of Lamarre Consultants, a company representing national and international companies in their efforts to establish or expand their business in Quebec. Mr. Lamarre sits on the board of directors of several public and privately held companies such as D BOX Technologies Inc., Télé-Québec, Le Devoir and TSO3 Inc. He is also a member of the independent review committee of Investors Group Investment Management Ltd. Mr. Lamarre has 40 years of business experience in Africa. He holds a BBA in applied economics from HEC Montréal.

Marco Gagnon is a graduate in geology from Université du Québec à Chicoutimi, is a senior mining exploration professional with more than 23 years of experience, half of it with major mining companies. Mr. Gagnon is the President, the CEO and a director of Adventure Gold Inc. since 2007. Moreover, he is

also one of the founders and a former President of Focus Metals Inc., another company listed on the TSX Venture Exchange. He is also Director of GFK Resources Inc. From 2004 to 2007, he was Vice-President Exploration and Acquisitions with Société d'exploration minière Vior inc. Prior to 2004, Mr. Gagnon acquired extensive experience in mine production and mine site and project exploration with Inmet Mining Corporation where, over a period of 10 years, he developed an expertise in designing, implementing and managing exploration programs on base metal and gold properties in Eastern Canada and in Finland. Prior to Inmet, he was employed by Barrick Gold, Minnova and Radisson Mining Resources. Mr. Gagnon was President of the Quebec Mining Exploration Association from 2007 to 2009.

Siva Pillay graduated from Southampton University in 1984, with a BSc Joint Honours in Accounting and Law. After 15 years experience with various banks (The Bank of New York, Fortis and Standard Bank) working in the commodity finance and related fields, Mr. Pillay established his own boutique advisory company arranging Trade Project Finance. In 2004, Mr. Pillay assisted with the Ocean Partners MBO and subsequently in 2005 joined the company.

James Cowley is a Metallurgical Engineer with an MBA in Finance. His educational background in this field led him to work, more specifically, in business and marketing development with companies such as, Exxon, Climax Molybdenum, Bond International Gold and Rio Tinto. He is currently a consultant and employee of Ocean Partners USA and is based in Utah, USA.

Pierre Fitzgibbon, is Managing Partner at Walter Capital Partners, a Private Equity Firm since 2015. Previously he was Atrium Innovations' President and Chief Executive Officer from 2007 to 2014. Atrium Innovations is a leader in the development, manufacturing and marketing of added-value products for the health and nutrition industry. Prior to Atrium Pierre Fitzgibbon was at National Bank Group for 5 years as a Vice Chairman of National Bank Financial Inc. and Senior Vice President, Finance, Technology and Corporate Affairs at National Bank of Canada. Prior to joining National Bank, Mr. Fitzgibbon held various positions in finance, corporate and business development at Telesystem Wireless International, Chase Capital Partners Hong Kong, Domtar and PriceWaterhouse Coopers. Mr. Fitzgibbon holds a bachelor's degree in business administration from the École des hautes études commerciales de Montréal, passed his examination of the Ordre des comptables professionnels agréés du Québec in 1978, and has a certificate in general management from Harvard Business School.

Brian Ostroff is currently a Director and Executive Vice-President of Windermere Capital. Mr. Ostroff is a graduate of the University of Toronto (1986) having joined RBC Dominion Securities in 1987. In 1999 Mr. Ostroff joined M&A advisory firm Goodrich Capital where he was the Canadian managing partner overseeing mandates across a spectrum of industries with a focus on display technologies and mining. In 2004, Mr. Ostroff moved over to the trading side of the business as a proprietary trader with a large Canadian bank and then subsequently on his own for four years. Mr. Ostroff joined Windermere Capital in 2009, his area of focus is the junior and mid-tier mining sector.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended December 31, 2015 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended December 31, 2015 has the Corporation relied on the exemption provided under section 2.4 (*De minimis Non-audit Services*) of Regulation 52-110 *respecting Audit Committees* ("**Regulation 52-110**") or an exemption from Regulation 52-110, in whole or in part, granted under Part 8 of Regulation 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in its charter attached hereto as Schedule A.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors during the financial years ended December 31, 2015 and 2014 were as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees ⁽¹⁾
2015	\$83,113	-	\$23,100	\$7,656
2014	\$91,857	-	\$20,475	\$23,100

(1) All other fees represent the quarterly financial statements readings and consultations on various accounting treatments.

Exemption

Pursuant to section 6.1 of Regulation 52-110, the Corporation is not required to comply with Parts 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of Regulation 52-110 given that it is a venture issuer, as defined in Regulation 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Regulation 58-101 *respecting Disclosure of Corporate Governance Practices* and Policy Statement 58-201 to *Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

Board of Directors

Management is nominating eight (8) individuals to the Corporation's Board of Directors.

1. Independent Directors

The independent directors of the Corporation are David DeBiasio, Marco Gagnon, Siva Pillay, Dominique Bouchard, Steven Pinney and Jean Lamarre.

2. Non Independent Directors

The non-independent director of the Corporation are Brian Ostroff in light of the fact that he is the CEO of the Corporation and James Cowley, in light of the fact that he is the interim CFO of the Corporation.

Jean Lamarre is the Chairman of the Board of Directors and Dominique Bouchard is the Vice-Chairman of the Board of Directors.

Directorships

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

Name of Director	Issuer
Marco Gagnon	Adventure Gold Inc. GFK Resources Inc.
Pierre Fitzgibbon	Transcontinental Inc. Lumenpulse Inc. Neptune Technologies & Bioresources Inc.
Jean Lamarre	SEMAFO Inc. D-Box Technologies Inc. TSO3 Inc.

Orientation and Continuing Education

The directors shall keep up to date and shall receive copies of all the necessary and latest information during meetings of the Board of Directors, the Audit Committee and the Human Resources and Corporate Governance Committee. On account of the limited number of directors and the venture nature of the Corporation, no formal training system has been created.

Ethical Business Conduct

The Corporation's Code sets out the Board of Directors' expectations for the conduct of the personnel in their dealings on behalf of the Corporation. Any such person who becomes aware of a violation of the Code must report such violation to an officer of the Corporation. The Board of Directors has delegated to the Human Resources and Corporate Governance Committee the responsibility of ensuring compliance with, or any derogation from, the Code. Compliance with the Code is an essential condition of employment, and any violation to the Code may result in appropriate disciplinary action, to be determined by the management of the Corporation, and may even lead to dismissal. A copy of the Code may be obtained on SEDAR at www.sedar.com.

In an effort to encourage and promote a culture of ethical business conduct, the Corporation has also adopted the following internal policies: an anti-bribery and anti-corruption policy, an insider trading and blackout policy, a disclosure policy and a financial approval authority policy.

Nomination of Directors

The Chairman of the Board of Directors will propose qualified candidates to fill vacant positions on the Board of Directors to the Human Resources and Corporate Governance Committee. If a candidate is approved by the Human Resources and Corporate Governance Committee, the latter's name will then be submitted to the Board of Directors for their approval.

Compensation

The Human Resources and Corporate Governance Committee will regularly assess the compensation policies in view of practices in the marketplace, the practices and risks typical of the industry and the inherent responsibilities of being an effective director. The Corporation's main activity is mining exploration and, at the present time, it is not generating any profits.

In order to determine the compensation of the directors, the Board of Directors shall notably take into account the contribution made by each person to the Corporation and the financial resources available to the Corporation. To date, the Corporation's directors have not received any compensation in cash for the services they have rendered in their capacity as directors. The determination of the NEO's compensation is described in Section "Compensation of Executive Officers and Directors".

Other Committees of the Board of Directors

Apart from the Audit Committee and the Human Resources and Corporate Governance Committee, the Board of Directors has no other committee.

The Human Resources and Corporate Governance Committee is composed of David DeBiasio (independent), Chair of the Committee, Dominique Bouchard (independent), Brian Ostroff (non-independent), Pierre Fitzgibbon (non-independent), Steven Pinney (independent) and Jean Lamarre (independent).

Assessments

A mechanism has been implemented by the Human Resources and Corporate Governance Committee to evaluate the contribution and performance of the Board of Directors, and each of the board's Committees.

OTHER BUSINESS ON THE AGENDA

Management of the Corporation has no knowledge of any changes regarding the items described in the enclosed notice of meeting nor of any other business which could be submitted to the Meeting, except for those items mentioned in the Notice of Meeting. However, if any change or other business is validly brought before the Meeting, the attached proxy form confers a discretionary power on the persons designated therein to vote as they see fit on the changes regarding any such items mentioned in the Notice of Meeting or on any other business.

ADDITIONAL INFORMATION

The Corporation's financial information is included in its comparative annual financial statements and notes thereto and in its accompanying Management's Discussion and Analysis for the fiscal year ended December 31, 2015. Copies of these documents and additional information concerning the Corporation can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and may also be obtained upon request to the secretary of the Corporation at 393 Racine Street East, Suite 200, Saguenay, Quebec, G7H 1T2; Tel: 418-549-7316; Fax: 418-549-5750.

APPROVAL

The Board of Directors of the Corporation has approved the contents of the Circular and its transmittal to the shareholders.

Dated this 24th day of May, 2016

(s) James Cowley

James Cowley
Chief Financial Officer

SCHEDULE A
AUDIT COMMITTEE CHARTER

I. ROLE

The role of the audit committee of the Corporation (the “**Audit Committee**”) is to assist the board of directors (the “**Board**”), in its oversight and supervision of:

- A. the integrity of the financial reporting of the Corporation;
- B. the Corporation’s internal controls and, where applicable, disclosure controls;
- C. the independence, qualifications and performance of the external auditor; and
- D. the Corporation’s compliance with applicable legal and regulatory requirements.

II. COMPOSITION

- 1. The Audit Committee must be constituted, in accordance with Regulation 52 110 *respecting Audit Committees*, as it may be amended or replaced from time to time (“**Regulation 52-110**”)
- 2. All members of the Audit Committee must (except to the extent permitted by Regulation 52-110) be independent (as defined by Regulation 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Audit Committee.
- 3. No members of the Audit Committee shall receive, other than for service on the Board or the Audit Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.
- 4. All members of the Audit Committee must be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements).
- 5. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a director. The Board may fill vacancies on the Audit Committee by election from among the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all powers of the Audit Committee so long as a quorum remains.

III. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. In particular, the Audit Committee shall have the following duties and responsibilities:

Oversight and supervision of financial reporting and control

- 1. On a periodic basis, the Audit Committee shall review and discuss with management and the external auditor on the following:
 - a) major issues regarding: (i) accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles,

- (ii) the adequacy of the Corporation's internal controls, and (iii) any special audit steps adopted in light of identified material control deficiencies, if any;
 - b) analyses prepared by or on behalf of management setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements including analyses of the effects of alternative generally accepted accounting principles methods on the financial statements when such alternatives have been selected in the current reporting period; and
 - c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of the Corporation.
2. The Audit Committee shall be directly responsible for resolving any disagreement between management and the external auditor regarding financial reporting.
 3. The Audit Committee shall review and discuss any report from the external auditor on:
 - a) all critical accounting policies and practices used by the Corporation;
 - b) all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor; and
 - c) other material written communications between the external auditor and management.
 4. The Audit Committee shall review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Audit Committee.

Oversight and supervision of external auditor

1. The external auditor shall report directly to the Audit Committee. The Audit Committee shall recommend to the Board: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and (ii) the compensation of such external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor when preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
3. The Audit Committee shall pre-approve all non-audit services to be provided by the external auditor to the Corporation and any consolidated subsidiary thereof. To this effect, the Audit Committee may adopt specific policies and procedures that may include the delegation by the Audit Committee to the Chairman of the Audit Committee the authority to pre-approve such non-audit services, provided that such pre-approval be reported to the Audit Committee at its next regularly scheduled meeting.
4. The Audit Committee shall at least annually, consider, assess and report to the Board on:
 - a) the independence of the external auditor, including whether the external auditor's performance of non-audit services is compatible with the external auditor's independence; and

- b) obtain from the external auditor a written statement delineating: (i) all relationships between the external auditor and the Corporation; and (ii) any other relationships that may adversely affect the independence of the external auditor.
5. The Audit Committee shall review audit process with the external auditor.
 6. Where applicable, the Audit Committee shall review and discuss with the chief executive officer and the chief financial officer of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
 7. The Audit Committee shall meet periodically with the external auditor in the absence of management.

Oversight and supervision of management information systems internal control

1. The Audit Committee shall review and discuss with management and the external auditor and, when appropriate, provide recommendations to the Board on the following:
 - a) the Corporation's internal control system; and
 - b) where applicable, periodically assess compliance with the policies and practices of the Corporation relating to business ethics.
2. The Audit Committee may establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission by employees regarding questionable accounting or auditing matters.
3. The Audit Committee shall review control weaknesses identified by the external auditors, together with management's response thereto.
4. The Audit Committee shall meet periodically with management in the absence of the external auditor and the internal auditor.
5. The members of the Audit Committee shall, at least once per year, meet with the Chief Financial Officer to enhance their understanding in respect of the Corporation's financial statements.

Oversight and supervision of risk management

1. The Audit Committee shall review, report and, where appropriate, provide recommendations to the Board on the following:
 - a) the Corporation's processes for identifying, assessing and managing risk; and
 - b) the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures.
2. The Audit Committee may delegate certain specific tasks and the review of certain questions regarding risk management to one or more board members or officers of the Corporation provided that such board member(s) or officer(s) shall report back to the Audit Committee.

Oversight and supervision of compliance with legal requirements

1. The Audit Committee shall review and discuss with management and the external auditor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's process for complying with laws and regulations.
2. The Audit Committee may receive, on a periodic basis, reports from the Corporation with respect to legal and regulatory issues.

IV. PROCEDURES FOR MEETINGS

The Audit Committee shall fix its own procedure. The Audit Committee shall meet separately in executive session, at each regularly scheduled meeting, which shall occur not less than four times annually, and in the absence of management or the external auditor.

The minutes of the Audit Committee meetings shall accurately record the significant discussions of and decisions made by the Audit Committee, including all recommendations to be made by the Audit Committee to the Board and shall be distributed to the Audit Committee members for approval.

Meetings of the Audit Committee shall be held from time to time and at such place as members of the Audit Committee shall determine. Each of the Chairman of the Board, the chief executive officer and the chief financial officer, and the external auditor shall be entitled to request that the chairman of the Audit Committee (the "**Chairman**") call a meeting.

The Audit Committee may meet by telephone conference call or by any other means permitted by law or the Corporation's by-laws.

The Audit Committee may ask members of management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including, the external auditor) to attend meetings and provide such information as the Audit Committee requests. Members of the Audit Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with management, employees, the external auditor and others as they consider appropriate..

The Audit Committee or its Chairman should meet at least once per year with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or either of these groups desires to discuss privately.

V. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee, one of which shall be the Chairman, shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the regular Chairman is absent, the Chairman shall be replaced by another member of the Audit Committee who shall be named by the other members among themselves. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decide unanimously.

VI. SECRETARY

Unless otherwise determine by resolution of the Board, the corporate secretary of the Corporation shall be the secretary of the Audit Committee.

VII. RESIGNATION AND VACANCIES

An Audit Committee member may resign from the Audit Committee without resigning from the Board, but an Audit Committee member shall tender his or her resignation from the Audit Committee upon ceasing to be a member of the Board. Vacancies at any time occurring shall be filled by resolution of the Board.

VIII. RECORDS

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

IX. LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee. Even though the Audit Committee has a specific mandate, it does not have the obligation to act as auditors or to perform audits, or to determine that the Corporation's financial statements are complete and accurate.

Members of the Audit Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they received information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditors. The Audit Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared in accordance with generally accepted accounting principles and, if applicable, audited in accordance with generally accepted accounting standards.