



MELIOR RESOURCES INC.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To be held November 19, 2014

**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR**

October 7, 2014

MELIOR RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of shareholders of Melior Resources Inc. (the “**Corporation**”) will be held at 199 Bay Street, 53rd Floor, Commerce Court West, Toronto, Ontario on the 19th day of November, 2014 at 10:00 a.m. (Toronto time), for the following purposes:

1. **TO RECEIVE** the audited consolidated financial statements of the Corporation for the financial year ended June 30, 2014, together with the auditor’s report thereon;
2. **TO ELECT** the directors of the Corporation for the ensuing year;
3. **TO REAPPOINT** MNP LLP, Chartered Accountants, as auditor of the Corporation and to authorize the board of directors of the Corporation to fix the remuneration of the auditor;
3. **TO CONSIDER** and, if deemed advisable, to approve an ordinary resolution to confirm effective the Corporation’s stock option plan, as amended and restated, for the directors, senior officers, employees and consultants of the Corporation and its affiliated entities, as more particularly set out in Schedule “A” to the accompanying management information circular; and
5. **TO TRANSACT** such further or other business as may properly come before the Meeting or any reconvened meeting following an adjournment thereof.

Details of the foregoing matters are contained in the accompanying management information circular of the Corporation.

The record date for entitlement to notice of the Meeting is October 9, 2014 (the “**Record Date**”). Each shareholder of the Corporation as at the Record Date shall be entitled to vote at the Meeting or any reconvened meeting following an adjournment thereof either in person or by proxy. A shareholder wishing to be represented by proxy at the Meeting or any reconvened meeting following an adjournment thereof must deposit his, her or its executed form of proxy with the Corporation’s transfer agent and registrar, TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (Attention: Proxy Department), on or before 10:00 a.m. (Toronto time) on, November 17, 2014, or at least 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened Meeting at which the proxy is to be used.

DATED at Toronto, Ontario, this 7th day of October, 2014

BY ORDER OF THE BOARD OF DIRECTORS

“Mark McCauley”

Mark McCauley
Chief Executive Officer

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MELIOR RESOURCES INC.
MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by management of Melior Resources Inc. (the “**Corporation**”) of proxies to be used at the annual and special meeting of the shareholders of the Corporation (the “**Meeting**”) to be held at 199 Bay Street, 53rd Floor, Commerce Court West, Toronto, Ontario on the 19th day of November, 2014 at 10:00 a.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed notice of annual and special meeting of shareholders (the “**Notice of Meeting**”).

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone or by facsimile by the directors or officers of the Corporation at nominal cost. The costs of proxy solicitation will be borne by the Corporation.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Corporation (“**Common Shares**”). The Corporation will provide, without cost to such persons, upon request to the Chief Executive Officer (“**CEO**”) of the Corporation, additional copies of the foregoing documents required for this purpose.

Except where otherwise indicated, information contained in this Circular is given as of October 7, 2014.

In this Circular, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars. The average rates of exchange as at June 30, 2014 and October 7, 2014, based on the noon spot rate as published by the Bank of Canada were as follows:

June 30, 2014		October 7, 2014	
U.S.\$1.00 = \$1.07	\$1.00 = U.S.\$0.93	U.S.\$1.00 = \$1.12	\$1.00 = U.S.\$0.89
AUS\$1.00 = \$1.01	\$1.00=AUS\$0.99	AUS\$1.00= \$0.98	\$1.00 = AUS\$1.02

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are representatives of management of the Corporation and are directors and/or officers of the Corporation. **A shareholder has the right to appoint a person or corporation (who need not be a shareholder of the Corporation) other than the persons designated in the accompanying form of proxy to represent the shareholder at the Meeting. Such right may be exercised by inserting the name of such person or company in the blank space provided in the form of proxy or by completing another proper form of proxy.**

A shareholder wishing to be represented by proxy at the Meeting or any reconvened meeting following an adjournment thereof must deposit his, her or its executed form of proxy with the Corporation’s transfer agent and registrar, TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (Attention: Proxy Department), on or before 10:00 a.m. (Toronto time) on November 17, 2014, or at least 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened Meeting at which the proxy is to be used. A proxy submitted in paper form should be executed by the shareholder

or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney.

In addition to any other manner permitted by law, a proxy may be revoked, before it is exercised, by an instrument in writing executed in the same manner as a proxy and deposited to the attention of the CEO of the Corporation at the head office of the Corporation at any time up to 10:00 a.m. (Toronto time) on the last business day before the day of the Meeting or any reconvened meeting following an adjournment thereof at which the proxy is to be used or with the Chair of the Meeting on the day of the Meeting or any reconvened meeting following an adjournment thereof and thereupon the proxy is revoked. The head office of the Corporation is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.

A shareholder attending the Meeting has the right to vote in person and, if the shareholder does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

NOTICE-AND-ACCESS

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily accessible website, rather than mailing physical copies of materials.

The Corporation has decided to deliver the Meeting materials to all registered and beneficial Shareholders by posting the Meeting materials at website <https://noticeinsite.tmxequity.com/MeliorResourcesAGSM2014> or website <http://meliorresources.com> and such materials will remain on the Corporation's website for one full year. The Meeting materials will also be available on SEDAR at www.sedar.com.

All shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting materials may request a copy by calling TMX Equity Transfer Services at 1-866-393-4891. Meeting materials will be sent to the shareholder at no cost to them.

VOTING OF PROXIES

The Common Shares represented by proxies appointing proxy nominees will be voted for or against or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by proxy shall be voted accordingly.

EXERCISE OF DISCRETION BY PROXYHOLDERS

If a specification is not made with respect to any matter, the proxy will confer discretionary authority and will be voted: (i) FOR the election of the nominees identified in this Circular as directors of the Corporation; (ii) FOR the reappointment of MNP LLP as independent auditor of the Corporation; and (iii) FOR the approval of the resolution readopting the Corporation's stock option plan attached to this Circular as Schedule "A".

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with

respect to any other matters which may properly come before the Meeting in such manner as the nominee in his or her judgment may determine. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their Common Shares in their own name and thus are considered non-registered shareholders. Shareholders who do not hold their Common Shares in their own name (“**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker or another similar entity (an “**Intermediary**”). Common Shares held by an Intermediary can only be voted by the Intermediary upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. **Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which instructions should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder should enter their own name in the blank space on the form of proxy provided to them by their Intermediary and return the same to their Intermediary, in accordance with the instructions provided by their Intermediary, well in advance of the Meeting.**

NON-OBJECTING BENEFICIAL OWNERS

These Meeting materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

RECORD DATE

Persons registered on the Common Share records of the Corporation at the close of business on October 9, 2014 (the “**Record Date**”) are entitled to vote at the Meeting.

QUORUM

Two shareholders, present in person or represented by proxy, entitled to cast votes representing at least 5% of the issued and outstanding Common Shares will constitute a quorum at the Meeting or any reconvened meeting following an adjournment thereof. The Corporation's list of shareholders as at the Record Date has been used to deliver to shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote at the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise set out in this Circular, no person who has been a director or officer of the Corporation at any time since the beginning of its last completed financial year, proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such director, officer or proposed nominee, 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 other than the election of directors and the confirmation of the effectiveness of the Corporation's stock option plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. At the date hereof, the Corporation has 211,468,945 issued and outstanding Common Shares, each of which carries the right to one vote. No preferred shares are currently issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation, other than Pala Investments Limited ("**Pala**") and Takota Asset Management Inc. ("**Takota**"). Based on public filings made by Pala pursuant to applicable securities laws, Pala owns and controls an aggregate of 94,528,199 Common Shares representing approximately 44.7% of the issued and outstanding Common Shares. Based on public filings made by Takota pursuant to applicable securities laws, Takota owned and controlled an aggregate of 27,636,748 Common Shares representing approximately 13.1% of the issued and outstanding Common Shares.

PRESENTATION OF FINANCIAL STATEMENTS

The comparative financial statements of the Corporation for the financial year ended June 30, 2014, together with the auditor's report thereon, will be presented to the shareholders at the Meeting, but no vote by the shareholders with respect thereto is proposed to be taken. Receipt at the Meeting of the auditor's report and the Corporation's financial statements for its most recently completed financial year will not constitute approval or disapproval of any matters referred to therein. The audited financial statements of the Corporation for the financial year ended June 30, 2014, together with the auditor's report thereon, have been filed and are available on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The board of directors of the Corporation (the "**Board**") currently consists of five directors. The articles of the Corporation provide that the number of directors on the Board must be at least three. The number of directors to be elected at the Meeting has been set by the Board at five.

All of the nominees for election as directors of the Corporation are currently directors of the Corporation and have been directors since the date indicated below. Management does not contemplate that any of

the following nominees will be unable to serve as a director of the Corporation; however, if that should occur for any reason before the Meeting, the persons named in the enclosed form of proxy shall have the right to vote for another nominee in their discretion. Each director elected at the Meeting will hold office until the next annual meeting of the shareholders of the Corporation or until his successor is duly elected or appointed.

The following table including the notes thereto sets out with respect to each nominee for election as a director of the Corporation: his name and location of residence, the date on which he first became a director of the Corporation, all positions and offices with the Corporation held, his principal occupation during the prior five year period and the number of Common Shares which he beneficially owns, or controls or directs, directly or indirectly. The Corporation has an Audit Committee, a Compensation Committee and a Nomination and Corporate Governance Committee, the current and proposed members of which are identified below.

Name and Residence of Nominee	Position or Office	Principal Occupation(s) During Past 5 Years	Director of Corporation Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Charles Entrekin Pennsylvania, U.S.A.	Director	Independent Consultant since April 2008.	Mar 27, 2009	Nil
Glenn Black Cape Town, South Africa	Director	Chief Operating Officer of Peninsula Energy and Firestone Diamonds.	Mar 30, 2014	Nil ⁽⁵⁾
Martyn Buttenshaw Zug, Switzerland	Director	Vice President with Pala Investments Limited.	Mar 30, 2014	Nil
Joe Connolly Hertfordshire, United Kingdom	Director	Co-founder and CEO of Buckthorn Partners Limited. Previously CFO of Sierra Rutile Limited and Director of Business Development at Clipper Windpower.	Mar 30, 2014	Nil
Mark McCauley Queensland, Australia	Director and CEO	CEO of Melior Resources Inc. from May 2014. Managing Director of Goondicum Resources Pty Ltd. Previously Managing Director of RMM Capital and CFO and Company Secretary of Felix Resources.	May 15, 2014	1,020,000

The information as to residence, principal occupation(s) and Common Shares beneficially owned or controlled or directed is based on information furnished to the Corporation by the respective nominees as at the date of this Circular.

Notes:

- (1) The Audit Committee is and will be comprised of Joe Connolly, Glenn Black and Charles Entrekin and Joe Connolly will continue to serve as the Chair of the Audit Committee.
- (2) The Compensation Committee is and will be comprised of Martyn Buttenshaw, Joe Connolly and Glenn Black and Martyn Buttenshaw will continue to serve as the Chair of the Compensation Committee.
- (3) The Nomination and Corporate Governance Committee is and will be comprised of Martyn Buttenshaw, Joe Connolly and Glenn Black and Martyn Buttenshaw will continue to serve as the Chair of the Nomination and Corporate Governance Committee.

- (4) Although Martyn Buttenshaw holds no Common Shares, he is employed by Pala, the Corporation's largest shareholder. See "Voting Securities and Principal Holders Of Voting Securities".
- (5) Mark McCauley indirectly beneficially owns or controls 1,000,339 Common Shares. He will also indirectly beneficially own or control up to an additional 1,000,339 Common Shares if the earn-out payment available for a period of four years from May 15, 2014 becomes payable pursuant to the terms of the share sale and purchase agreement among, inter alios, the Corporation and the former shareholders of Belridge Enterprises Pty Ltd (now Goondicum Resources Pty Ltd).

Biographies of Proposed Directors

The following are short biographies of each nominee for election as a director of the Corporation:

Charles Entrekin – Charles Entrekin has over 40 years of experience in the mining and metals sector and possesses significant public company experience at the executive officer level. He has recently served as President and Chief Operating Officer of Titanium Metals Corporation, a \$1.3 billion NYSE listed producer of primary titanium and its alloys, as well as President and CEO of Timminco Limited (TIM-TSX), a producer of silicon metal for the chemical and aluminum industries. Charles Entrekin is currently a director of Sierra Rutile Limited (SRX-AIM), a mineral sands company, operating assets in Sierra Leone. Through his career Charles Entrekin has led and implemented many successful restructurings and turnarounds of mining and metals companies in North America and further afield. Charles Entrekin holds a B.Sc. from Lehigh University, an MBA from the University of Delaware and a M.Sc. and Ph.D. from Drexel University.

Glenn Black – Glenn Black is a professional mechanical engineer with over thirty six years of experience in senior management and operational roles. A significant portion of his experience has been with De Beers and Anglo American, focusing on project implementation, management, and operation for a variety of major projects globally. Mr. Black is currently Chief Operating Officer of Peninsula Energy, an Australian-listed uranium producer with assets in Wyoming, USA and Karoo, South Africa and Firestone Diamonds an AIM-listed diamond producer with operations in Lesotho and Botswana. Mr. Black graduated from New College, Durham, England and received a T4 Certificate of Mechanical Engineering, the Association of Mining Electrical & Mechanical Honors Certificate and the Mechanical Engineers Certificate from the National Coal Board. Mr. Black also received the Government Certificate of Competency (Mechanical) in 1987 in South Africa. Mr Black completed the Executive Development Program at the Gordon Institute of Business Science in 2004.

Martyn Buttenshaw – Martyn Buttenshaw is currently Vice President with Pala Investments Limited. Mr Buttenshaw has over twelve years of direct mining experience and is a former Senior Mining Engineer at Rio Tinto Mineral's borax operations, overseeing all aspects of mine planning at its US and international mining operations. Mr. Buttenshaw is currently a director of Sierra Rutile Ltd and has extensive experience advising Sierra Rutile (a UK listed rutile and ilmenite producer) on strategic mine planning, business improvement and project feasibility studies. Mr. Buttenshaw holds an MBA (with distinction) from the London Business School and a MEng (First Class) in Mining Engineering from the Royal School of Mines, Imperial College London.

Joe Connolly - Joe Connolly is a Chartered Accountant and experienced finance professional with deep experience in the natural resource sector. Mr. Connolly was formerly the Chief Financial Officer of Sierra Rutile Limited (a UK-listed rutile and ilmenite producer), responsible for strategic business planning, financial reporting, budgeting and compliance. Mr. Connolly is currently co-founder and CEO of Buckthorn Partners Limited, a financial service advisory business, regulated by the UK Financial Conduct Authority. Prior to his role with Sierra Rutile, Mr. Connolly held roles with Clipper Windpower, Morgan Stanley and Deloitte. Mr. Connolly is a Chartered Accountant and graduated from the University of Cambridge with an MA in Natural Science.

Mark McCauley – Mark McCauley was formerly Managing Director of Belridge Enterprises Pty Ltd, the former owner of the Goondicum Project. Mr. McCauley has substantial mining experience and has been involved in the development of several major mining projects in Australia and Argentina, including turnaround and organizational restructuring. Mr. McCauley was a Non-Executive Director and Chair of the Audit Committee for Norton Goldfields Limited from September 2007 until June 2010 during which time he was also Managing Director for a nine month period of restructuring. Mr. McCauley served as Chief Financial Officer and Company Secretary of Felix Resources Ltd, an ASX listed coal mining company, from October 2003 to February 2007 during which time it went from a market cap of \$35 million to a market cap of over \$1 billion. Mr. McCauley has previously been a director of several AIM and ASX listed mining and exploration companies. Mr. McCauley completed an Advanced Management Programme at Harvard Business School in 2003, holds an MBA from Bond University in Australia (with Majors in Finance and Accounting) and has a Bachelor of Engineering from the University of Queensland.

Directorships with Other Reporting Issuers

The following nominees for election as directors of the Corporation currently serve as directors of the reporting issuers (or the equivalent in a jurisdiction outside of Canada), other than the Corporation, listed below:

Name	Name of Reporting Issuer (or equivalent outside Canada)
Charles Entrekin	Sierra Rutile Ltd. (AIM)
Martyn Buttenshaw	Sierra Rutile Ltd. (AIM)

Corporate Cease Trade Orders

Except as disclosed below, no proposed director of the Corporation is, or has been, within 10 years before the date of this Circular, a director, CEO or CFO of any company that: (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO. For the purposes hereof, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

On October 19, 2009, the OSC issued a management cease trade order (“**MCTO**”) related to the securities of the Corporation against Joseph Belan, the CEO of the Corporation at such time, with respect to the delayed filing of the Corporation’s annual financial statements, the related managements’ discussion and analysis (“**MD&A**”) and the annual information form (“**AIF**”), each for the year ended June 30, 2009. The terms of the MCTO provided that trading in and all acquisitions of securities of the Corporation, whether direct or indirect, by Joseph Belan must cease until two full business days following the receipt by the OSC of all filings the Corporation was required to make under Ontario securities law.

In addition, on September 29, 2010, the OSC issued a cease trade order (the “**Temporary Order**”) for a period of 15 days against the Corporation for failure to file its audited annual financial statements, the related MD&A, and its AIF, each for the year ended June 30, 2010, and the certification of the foregoing filings. The Temporary Order provided that, if the default continued, a hearing would be held to consider whether an order should be made that all trading in the securities of the Corporation cease permanently or for such period as is specified in such order by reason of the continued default. In connection with the Temporary Order the Corporation’s securities were suspended from trading by NEX.

On September 29, 2010, the British Columbia Securities Commission issued a cease trade order (the “**BC Order**”) against the Corporation until such time as it filed the required documentation and the BC Order was revoked.

On October 12, 2010, the OSC issued a cease trade order (the “**ON Order**”) against the Corporation which provided that all trading in the securities of the Corporation, whether direct or indirect, must cease until the ON Order is revoked.

On October 15, 2010, the Manitoba Securities Commission issued a cease trade order (the “**MB Order**”, and together with the BC Order and the ON Order, the “**Cease Trade Orders**”) against the Corporation until such time as it filed the required documentation, paid the outstanding filing fees, if any, and the MB Order was revoked.

The Corporation applied to have the Cease Trade Orders revoked on October 29, 2010, immediately following the filing of its AIF, its annual financial statements and the related MD&A, each for the year ended June 30, 2010. Each of the Cease Trade Orders and the MCTO were revoked on November 15, 2010.

Bankruptcies

No proposed director of the Corporation: (a) is, or has been, within the 10 years before the date of this 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 the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed 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 holder of Common Shares in deciding whether to vote for such proposed director.

Management recommends that shareholders vote FOR the election of the proposed directors of the Corporation. Unless the shareholder directs that his, her or its Common Shares are to be withheld from voting in connection with the election of the proposed directors, the persons named in the enclosed form of proxy will vote FOR the election of the proposed directors of the Corporation.

REAPPOINTMENT OF AUDITOR

At the Meeting, the shareholders will be called upon to approve the reappointment of MNP LLP as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders, and to authorize the Board to establish its remuneration. MNP LLP replaced Deloitte & Touche LLP, who commenced acting as the auditor of the Corporation in November 2005, at the annual and special meeting of the shareholders of the Corporation held on December 15, 2010.

Management recommends that shareholders vote FOR the reappointment of MNP LLP as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. Unless the shareholder directs that his, her or its Common Shares are to be withheld from voting in connection

with the reappointment of the auditor, the persons named in the enclosed form of proxy will vote FOR the reappointment of MNP LLP as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. A majority of the votes cast by shareholders at the Meeting is required to approve the reappointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

APPROVAL OF STOCK OPTION PLAN

At the Meeting, shareholders will be asked to consider and, if thought appropriate, approve an ordinary resolution of shareholders to approve and confirm effective the Plan. The complete text of the resolution for approval, with or without modification, at the Meeting is set out in Schedule "A" to the Circular. Pursuant to the TSX Venture Exchange Corporate Finance Manual, rolling plans, such as the Plan, must receive shareholder approval yearly at the annual meeting of shareholders of the Corporation.

A summary of the terms of the Plan is set out below under "Securities Authorized for Issuance under Equity Compensation Plans - Description of Stock Option Plan". A copy of the complete text of the Plan is attached as Schedule "B" to the management information circular dated November 15, 2011 in respect of the annual and special meeting of the shareholders of the Corporation held on December 14, 2011.

Management recommends that shareholders vote FOR the approval of the ordinary resolution to approve and confirm effective the Plan. Unless the shareholder directs that his, her or its Common Shares are to be voted against the ordinary resolution to approve and confirm effective the Plan, the persons named in the enclosed form of proxy will vote FOR the ordinary resolution to approve and confirm effective the Plan. A majority of the votes cast by shareholders at the Meeting is required to approve the ordinary resolution to approve and confirm effective the Plan.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation's policies on executive compensation are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Corporation's achievements. The overriding principles in establishing executive compensation provide that compensation should reflect:

- (a) fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;
- (b) recognition and encouragement of leadership, entrepreneurial spirit and team work;
- (c) an alignment of the financial interests of the executives with the financial interests of the shareholders of the Corporation;
- (d) stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives; and
- (e) a contribution to enhancement of shareholder value.

Mark McCauley, the CEO of the Corporation, has the responsibility for recommending the level of salary and incentives for executive officers, including himself. The recommended salary and incentives are then reviewed and approved by the Compensation Committee in accordance with the Charter of the Compensation Committee. See "Compensation" in Schedule "B" "Corporate Governance Practices" for further details regarding the Compensation Committee. The current Compensation Committee is

comprised of Martyn Buttenshaw, Joe Connolly and Glenn Black. Joe Connolly and Glenn Black are independent within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101").

There are three elements to the Corporation's executive compensation program: (1) base salary; (2) short-term compensation incentives for annual and personal performance; and (3) long-term compensation incentives (primarily stock options) related to long-term increase in Common Share value. Officers and directors are not permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such officers and directors.

Base Salary

The base salary for executive officers of the Corporation is reviewed and established annually, at or near the beginning of the financial year. Base salaries are based on the particular executive officer's personal performance and seniority, contribution to the business of the Corporation and the size and stage of development of the Corporation. Base salaries are also reviewed from time to time to ensure comparability with industry norms.

Short-Term Compensation Incentives

The Corporation may from time to time award discretionary bonuses; however, the Compensation Committee does not place great emphasis on the awarding of annual bonuses. Bonuses may be awarded to certain executives where such executives meet personal objectives or where the Corporation achieves certain objectives as a direct or indirect result of such executive's efforts.

Long-Term Compensation Incentives

Long-term incentive compensation for executive officers is provided through grants of stock options pursuant to the Corporation's stock option plan. Stock option grants to executive officers are generally reviewed annually. The number of stock options granted is based on each executive's salary range, responsibility and performance and takes into account the number and terms of stock options that have been granted to that executive previously. See "Securities Authorized For Issuance Under Equity Compensation Plans - Description of Stock Option Plan" for further details relating to the Corporation's stock option plan.

The compensation of executive officers is set within guidelines developed by the Compensation Committee and approved by the Board and is consistent with the principles set out above. No specific quantitative targets are set by the Compensation Committee with respect to the compensation of executive officers. In addition, although the performance of the Corporation is a factor that the Compensation Committee considers when determining or approving the compensation of executive officers, it is primarily the factors described above that determine the compensation of the executive officers. The Board has considered the implications of the risks associated with the Corporation's compensation policies and practices and has not identified any risks that are reasonably likely to have a material adverse effect on the Corporation.

Summary Compensation Table

Form 51-102F6 requires the disclosure of certain financial and other information relating to a reporting issuer's 'Named Executive Officers', which are defined as an issuer's CEO, CFO and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity whose total compensation was, individually, more than \$150,000 in the last fiscal year.

The following table sets forth the compensation earned in each of the Corporation's three most recently completed financial years by its Named Executive Officers.

Name and Principal Position	Year	Salary and Fees (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans		
Charles Entrekin ⁽²⁾ Chief Executive Officer	2014	221,623	Nil	Nil	Nil	Nil	221,623
	2013	215,592	Nil	Nil	Nil	Nil	215,592
	2012	202,196	187,450	Nil	Nil	Nil	389,646
Mark McCauley ⁽³⁾ Chief Executive Officer	2014	38,750	Nil	Nil	Nil	Nil	38,750
	2013	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Masney ⁽⁴⁾ Chief Financial Officer	2014	96,000	Nil	Nil	Nil	Nil	96,000
	2013	84,000	Nil	Nil	Nil	Nil	84,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Amounts for perquisites and other personal benefits, securities or property are not reported unless the aggregate amount is more than the lesser of \$50,000 or 10% of the total salary of the Named Executive Officer for the financial year.
- (2) Charles Entrekin was appointed CEO and Chairman of the Board on August 17, 2011, after serving as a director since March 27, 2009. His compensation in 2012 was U.S.\$12,000 per month plus Board and Committee fees of U.S.\$77,891, in 2013 was U.S.\$12,000 per month plus Board and Committee fees of U.S.\$68,990 and in 2014 was U.S.\$12,000 per month until May 15, 2014 plus Board and Committee fees of U.S.\$58,500.
- (3) Mark McCauley was appointed CEO on May 15, 2014. His compensation as CEO of the Corporation is a base of \$2,500 plus \$231 Superannuation per month and as Managing Director of Goondicum Enterprises a base of AUS\$22,500 and AUS\$2,081 Superannuation per month plus use of company vehicle.
- (4) Thomas Masney was appointed CFO on October 2, 2012

The Corporation issued options to acquire Common Shares to certain directors and officers on September 21, 2011 pursuant to the terms of the Corporation's stock option plan. Each such option is exercisable for one Common Share at a price of \$0.17 per Common Share. The value in the "Option-based Awards" column in the table above represents the total number of options issued to Mr. Entrekin multiplied by the fair market value of such options as calculated using the Black Scholes method. The key assumptions used to calculate the fair market value of the options were a risk-free interest rate of 1.85%, an expected stock price annual volatility of 100% and an expected life of 6 years.

Incentive Plan Awards

The following table provides, for each Named Executive Officer and director, a summary of all awards outstanding at the end of the fiscal year ended June 30, 2014.

Outstanding Option-based Awards

Name and Principal Position	Option-based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)
Charles Entrekin Director	1,710,000	0.17	September 21, 2018	N/A
Mark McCauley Chief Executive Officer	Nil	-	-	N/A
Thomas Masney Chief Financial Officer	Nil	-	-	N/A
Glenn Black Director	Nil	-	-	N/A
Martyn Buttenshaw Director	Nil	-	-	N/A
Joe Connolly Director	Nil	-	-	N/A

Incentive Plan Awards – Value Vested or Earned during Fiscal 2014

There were no option-based awards granted to Named Executive Officers or directors that vested during the most recently completed financial year. No non-equity incentive plan compensation was earned by the Named Executive Officers and directors during such year.

Pension Plan Benefits

The Corporation does not provide retirement or pension benefits for directors or executive officers.

Termination and Change of Control Benefits

Thomas Masney, the CFO, is employed pursuant to terms set out in an employment agreement. The agreement terms provide that Thomas Masney is entitled to the greater of one month's written notice or such period of notice required by employment standards legislation of termination without just cause or, at the Corporation's option, payment in lieu of such notice of one month's salary (or such period required by employment standards legislation) and accrued but unpaid salary, expenses and vacation pay. The Corporation can terminate Thomas Masney's employment at any time for just cause without notice or payment in lieu thereof. The agreement does not contain any payment provisions in connection with any change of control of the Corporation.

Mark McCauley, the CEO, is employed pursuant to terms set out in an employment agreement. The agreement terms provide that Mark McCauley is entitled to twelve week's written notice or payment in lieu of such notice of twelve week's salary. The Corporation can terminate Mark McCauley's employment at any time if he commits any act of serious misconduct without notice or payment in lieu thereof. The agreement does not contain any payment provisions in connection with any change of control of the Corporation. The agreement also provides that Mark McCauley will not, during his employment with the Corporation and for twelve weeks after termination thereof, within Australia (i)

engage in business that is similar to or competitive with the Corporation's business, (ii) solicit employees, contractors or agents of the Corporation, or (iii) do anything which might harm the Corporation's relationships with its customers, employees, contractors and agents.

If the CEO and CFO had been terminated on June 30, 2014 they would have been entitled to \$69,000 and \$8,000, respectively.

Director Compensation

Effective March 30, 2014, the Corporation pays an annual retainer of US\$20,000 to directors (US\$40,000 to the Chair). In addition, members of the committees of the Board are paid an annual retainer of US\$3,000 (US\$5,000 to the Chair) in respect of each committee on which they sit.

Prior to March 30, 2014, the Corporation paid an annual retainer of US\$25,000 to directors (US\$45,000 to the Chair) and the Corporation also paid an annual retainer to members of the committees of the Board in their capacities as members of such committees as follows: Audit Committee US\$4,000 (US\$20,000 to the Chair); Compensation Committee US\$4,000 (US\$8,000 to the Chair); and Nomination and Corporate Governance Committee US\$4,000 (US\$8,000 to the Chair). Each director also received a fee of US\$500 for each meeting of the Board they attended and each member of the Audit Committee also received a fee of US\$500 for each Audit Committee meeting they attended.

Charles Entrekin's and Mark McCauley's compensation during the most recently completed financial year, ended June 30, 2014, is disclosed above under the heading "Summary Compensation Table". The other directors of the Corporation were compensated as follows:

Name	Fees Earned (\$)	Option Based Awards (\$)	Total (\$)
Martyn Buttenshaw ⁽¹⁾	6,781	Nil	6,781
Joe Connolly ⁽¹⁾	7,594	Nil	7,594
Glenn Black ⁽¹⁾	7,052	Nil	7,052
Remo Mancini ⁽²⁾	54,039	Nil	54,039
Muneeb Yusuf ⁽²⁾	41,267	Nil	41,267
Evgenij Iorich ⁽²⁾	32,994	Nil	32,994

Notes:

- (1) Elected as a director on March 30, 2014
- (2) Member of the board of directors until March 30, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information concerning the Corporation's incentive stock option plan (the "Plan") as at June 30, 2014. The Corporation has no equity compensation plans other than the Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders	1,710,000	\$0.17	19,436,894
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	1,710,000	\$0.17	19,436,894

The aggregate number of Common Shares reserved for issuance upon the exercise of options pursuant to the Plan is such number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares from time to time. As at the date of this Circular, the maximum number of Common Shares which may be issued under the Plan is 21,146,894 (representing 10% of the 211,468,945 Common Shares currently issued and outstanding).

Description of Stock Option Plan

The Plan provides for the grant of options to purchase Common Shares to eligible directors, senior officers, employees and consultants of the Corporation or any of its affiliates (“**Participants**”). The purpose of the Plan is to attract, retain, motivate and compensate persons who are integral to the growth and success of the Corporation. The Plan is administered by the Board. All of the powers exercisable by the Board under the Plan may, to the extent permitted by applicable law and as authorized by the Board, be exercised by the Compensation Committee. The aggregate number of Common Shares currently reserved for issuance upon the exercise of options pursuant to the Plan is equal to 10% of the number of issued and outstanding Common Shares. The number of Common Shares reserved for issuance to any one participant upon the exercise of options pursuant to the Plan shall not exceed 5% of the total number of Common Shares issued and outstanding. The number of Common Shares reserved for issuance to any one non-employee director upon the exercise of options pursuant to the Plan shall not exceed 2% of the total number of Common Shares issued and outstanding.

The number of Common Shares issuable to insiders pursuant to options granted under the Plan and all other security based compensation arrangements of the Corporation shall not, at any time, exceed 10% of the total number of Common Shares then issued and outstanding. The number of Common Shares issued to insiders pursuant to options granted under the Plan and all other security based compensation arrangements shall not, within a one year period, exceed 10% of the total number of Common Shares then issued and outstanding. The number of Common Shares issued to any insider and such insider’s associates pursuant to options granted under the Plan and all other security based compensation arrangements shall not, within a one year period, exceed 5% of the total number of Common Shares then issued and outstanding.

The number of options granted to any one Participant under the Plan and all other security based compensation arrangements of the Corporation shall not result in the grant to such Participant of in excess of 5% of the number of Common Shares outstanding immediately prior to the grant of any such options within any 12 month period unless disinterested shareholder approval is obtained. The number of options granted to any one consultant under the Plan and all other security based compensation arrangements of the Corporation shall not result in the grant to such consultant of in excess of 2% of the number of Common Shares outstanding immediately prior to the grant of any such options within any 12 month period.

In addition to the limitations on the grant of options under the Plan described above, the number of shares reserved for issuance to any one person pursuant to options shall not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance pursuant to options granted to directors who are not also employees of the Corporation, in the aggregate, shall not exceed 1% of the issued and outstanding Common Shares.

The exercise price of an option is set by the Board at the time of grant, but may not be less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day preceding the date on which the grant of the option is approved by the Board. The Plan provides for flexible vesting, at the discretion of the Board. Under the Plan, the Board determines the term of any options granted, which shall not exceed 10 years from the date of grant.

The expiration of any option will be accelerated if the Participant's employment or other relationship with the Corporation terminates. An optionee that ceases to be a Participant (for reasons other than termination for cause) has 90 days from the date of termination to exercise all existing vested options; provided that in no event shall such right extend beyond the option period. In the event of the death of a Participant, the options granted to the Participant shall be exercisable thereafter by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; provided that in no event shall such right extend beyond the option period. If the date on which an option expires occurs during or within two business days after the last day of a trading black-out period imposed pursuant to the Corporation's insider trading policy (as it may be amended from time to time), the expiry date of such option shall be the date that is 10 business days following the date of expiry of the black-out period.

Any exercises of options will make new grants available under the Plan, effectively resulting in reloading of the number of options available to grant under the Plan. In the event that options granted are surrendered in accordance with the provisions of the Plan, or terminate or expire without being exercised in whole or in part, the Common Shares reserved for issuance but not purchased under such lapsed options shall be available for subsequent options to be granted under the Plan.

The benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan are not assignable or transferable by the Participant except: (a) from the Participant to an entity controlled by the Participant or the Participant's registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF") or from an entity controlled by the Participant or the Participant's RRSP or RRIF to the Participant and, in either such event, the provisions of the Plan shall apply *mutatis mutandis* as though they were originally issued to and registered in the name of the Participant; or (b) as otherwise specifically permitted under the Plan and in accordance with applicable laws.

The Plan further provides for the termination of options in connection with certain fundamental changes such as the dissolution, liquidation or merger of the Corporation, or in the event of a change of control of the Corporation and provides for accelerated vesting in such circumstances, at the discretion of the Board. Subject to the approval of any stock exchange on which the Corporation's securities are listed, the Board may suspend, amend or terminate the Plan.

The following types of amendments to the Plan or an option granted under the Plan require shareholder approval: (a) any increase in the maximum number of Common Shares issuable under the Plan; (b) any reduction in the exercise price of outstanding options; (c) the cancellation of any option for the purpose of exchange for re-issuance at a lower exercise price to the same person; (d) any extension of the expiry date of an outstanding option (other than in accordance with the Plan); (e) any increase in the term of options granted under the Plan beyond 10 years from the date of grant; (f) any amendment to transfer provisions applicable to options granted under the Plan; (g) any amendment for which applicable law or rules of the

TSX Venture Exchange require approval of the shareholders of the Corporation; (h) any change in the matters requiring shareholder approval under the Plan; and (i) any expansion in the class of Participants to whom options may be granted under the Plan. The Board may approve all other amendments to the Plan or options granted under the Plan.

The Plan has not been amended in any respect since it was approved by the shareholders at the last annual and special meeting of the Corporation. A copy of the Plan is attached as Schedule "B" to the management information circular dated November 15, 2011 in respect of the annual and special meeting of the shareholders of the Corporation held on December 14, 2011. Pursuant to the TSX Venture Exchange Corporate Finance Manual, rolling plans, such as the Plan, must receive shareholder approval yearly at the annual meeting of shareholders of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NI 58-101 and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") set out a series of guidelines for effective corporate governance. Each reporting issuer, including the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Corporation's disclosure with respect to its corporate governance practices is attached to this Circular as Schedule "B".

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The charter of the Corporation's Audit Committee is attached to this Circular as Schedule "C".

Composition of the Audit Committee

The Audit Committee is currently comprised of Joe Connolly, Charles Entrekin and Glenn Black, each of whom is financially literate. Joe Connolly and Glenn Black are considered to be independent of the Corporation under National Instrument 52-110 - *Audit Committees* ("NI 52-110"). Charles Entrekin is not considered to be independent as he was the CEO of the Corporation until May 15, 2014. The Corporation is relying on the exemption in section 6.1 of NI 52-110 for venture issuers with respect to the composition of the Audit Committee.

Relevant Education and Experience

The relevant education and experience of each current and proposed Audit Committee member is disclosed above under "Election of Directors - Biographies of Proposed Directors". In addition, Charles Entrekin has served on the Audit Committee since his appointment to the Board on March 27, 2009.

Pre-approval Policies and Procedures

The Audit Committee requires the Corporation to obtain Audit Committee approval for any non-audit services exceeding immaterial amounts. The Audit Committee has pre-approved certain non-audit services under prescribed limits; for all other services and services above these limits, specific consideration by, and approval of, the Audit Committee is required.

External Auditor Service Fees

The following are the aggregate fees incurred by the Corporation for services provided by its external auditors during the financial years ended June 30, 2014 and June 30, 2013:

	2014	2013
	\$	\$
Audit Fees		
Annual audit	55,000	12,000
Total Audit Fees	55,000	12,000
Tax Fees		
Tax compliance	3,500	3,000
Total Tax Fees	3,500	3,000
Other Fees	17,500	-
TOTAL FEES	76,000	15,000

There were no "Audit-Related Fees" or "Other Fees" during the financial years ended June 30, 2014 and June 30, 2013. "Tax Fees" related to preparation of the Corporation's tax returns.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation, or any associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or was indebted to another entity, which such indebtedness is, or was at any time during the most recently completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

DIRECTORS AND OFFICERS INSURANCE

The Corporation's directors and officers insurance policy was renewed on December 22, 2013 for twelve months and further amended on May 27, 2014 to include subsidiaries. The amount of the premium paid by the Corporation was \$26,338; no amount was payable by the directors or officers in respect of such insurance. The insurance policy is subject to a \$5,000,000 limit, both per claim and in the aggregate. A \$10,000 deductible applies to each claim by the Corporation on its own behalf and on behalf of each director and officer insured for indemnity.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation (i) no director, proposed nominee for election as a director or executive officer of the Corporation, (ii) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities, (iii) no director or executive officer of a company referred to in (ii) above or of a subsidiary of the Corporation, and (iv) no associate or affiliate of the persons or companies referred to in (i), (ii) and (iii) above had any material interest, direct or indirect, in any transactions since the commencement of the Corporation's most recently completed financial year, or has any material interest, direct or indirect, in any proposed transactions, that materially affected or would materially affect the Corporation or any of its subsidiaries except as disclosed below.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation including its current Annual Information Form is available under its profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year. The Corporation's financial statements and MD&A for its most recently completed financial year, together with the auditor's report thereon, have been filed and are available on SEDAR. Shareholders of the Corporation may also request copies of the Corporation's financial statements and MD&A by contacting the Corporate Secretary of the Corporation at the Corporation's head office at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1, telephone: (416) 644-1217.

APPROVAL

The contents and sending of the Notice of Meeting and this Information Circular have been authorized and approved by the Board.

BY ORDER OF THE BOARD

By: (Signed) Mark McCauley

Name: Mark McCauley

Title: Chief Executive Officer

SCHEDULE "A"
STOCK OPTION PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The Stock Option Plan attached as Schedule "B" to the management information circular dated November 15, 2011 in respect of the annual and special meeting of the shareholders of the Corporation held on December 14, 2011 is approved and readopted as the stock option plan of Melior Resources Inc. (the "Corporation"); and
2. Any one officer or director of the Corporation is authorized and directed, for and on behalf of the Corporation, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director or officer of the Corporation may deem necessary or desirable in order to carry out the foregoing resolution, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

SCHEDULE "B"
CORPORATE GOVERNANCE PRACTICES

1. Board of Directors

The Board is currently, and is proposed to be, comprised of five directors. Glenn Black and Joe Connolly are considered "independent" under NI 58-101. Charles Entrekin is the former CEO of the Corporation and Mark McCauley is the current CEO of the Corporation. Despite the fact Martyn Buttenshaw is not a current or former member of management, he is employed by the Corporation's significant shareholder. Charles Entrekin is the Chair of the Board. The Board believes that the current and proposed composition provides appropriate independent representation for the public shareholders of the Corporation.

In order to facilitate the exercise of independent judgment in carrying out the Board's responsibilities, the Board has established a mandate that sets forth in detail the responsibilities and obligations of the members of the Board, including the obligation to identify and declare conflicts of interest. Further, the responsibilities of the Board and management to act with due care in the best interests of the Corporation are well defined by law and both management and the Board recognize their respective duties and obligations. The independent directors meet in the absence of members of management as deemed appropriate and, at each Board meeting to which management is invited, the independent directors' policy is to hold an in camera session.

The primary functions of the Chair of the Board are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's functions and responsibilities as set out in the Board mandate.

Corporate objectives are reviewed by the Board from time to time throughout the year. The Board has the responsibility to set the strategic direction of the Corporation and to oversee its implementation by management of the Corporation. To assist it in fulfilling this responsibility, the Board has specifically recognized its responsibility for several areas, including:

- (a) reviewing and approving the Corporation's strategic and operating plans;
- (b) reviewing and approving material proposed expenditures;
- (c) reviewing and approving significant operational and financial matters; and
- (d) providing direction to management on these matters.

Decisions regarding the ongoing day-to-day management are made by management of the Corporation. The Board meets regularly to discuss the Corporation's business and operations and to review financial statements of the Corporation. The Board also discharges, in part, its responsibility through the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee. The frequency of the meetings of the Board, as well as the nature of agenda items, changes depending upon the state of the Corporation's affairs and in light of opportunities which arise or risks which the Corporation faces. The Corporation holds a minimum of four meetings of the Board in each financial year.

The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management. In order to ensure that the principal business risks borne by the Corporation are appropriate, the directors receive and comment on periodic reports from management as to the Corporation's assessment and management of such risks. The Board regularly monitors the financial performance of the Corporation, including receiving and reviewing periodic management reports. The

Board, directly and through its Audit Committee, assesses the integrity of the Corporation’s internal control and management information systems.

Two of the current and proposed directors of the Corporation are presently a director of at least one other issuer that is a reporting issuer, or the equivalent thereof. All directorships with other public entities for each of the proposed Board members are set forth in the Circular under “Election of Directors - Directorships with Other Reporting Issuers” and in their biographies.

The attendance record of each director for all Board meetings held during the Corporation’s most recently completed financial year is set out below:

Director	Number of Meetings Attended	Attendance %
Charles Entrekin	15 of 15	100%
Glenn Black ⁽¹⁾	4 of 4	100%
Martyn Buttenshaw ⁽¹⁾	4 of 4	100%
Joe Connolly ⁽¹⁾	4 of 4	100%
Mark McCauley ⁽²⁾	2 of 2	100%
Evgenij Iorich ⁽³⁾	12 of 12	100%
Remo Mancini ⁽³⁾	12 of 12	100%
Muneeb Yusuf ⁽³⁾	12 of 12	100%

Notes:

- (1) Appointed to the Board on March 30, 2014.
- (2) Appointed to the Board on May 15, 2014.
- (3) Member of the Board until March 30, 2014.

2. Orientation and Continuing Education

The Corporation has not established a formal orientation and education program for Board members; however, the Corporation is committed to providing sufficient information so as to ensure that new directors are familiar with the Corporation’s business and the procedures of the Board. Information may include the Corporation’s corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The Board will ensure that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately.

The Board ensures that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors). All new directors are expected to understand the nature and operations of the business.

The Board provides continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, and to ensure their knowledge and understanding of the Corporation’s business remains current.

3. Ethical Business Conduct

The Corporation is committed to conducting its affairs with integrity, honesty, fairness and professionalism. The Board has approved a Code of Ethics (the “Code”) intended to encourage and promote a culture of ethical business conduct. The Code is available on SEDAR at www.sedar.com or upon request to the Corporate Secretary of the Corporation at its office at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.

The Code applies at all levels of the organization, from major decisions to day-to-day transactions. The Code delineates the standards governing the relations between the Corporation and shareholders, customers, suppliers and competitors, respectively. Within this framework, employees and directors are expected to exercise good judgment and to be accountable for their actions. All employees and directors are required to review and attest to compliance with the Code on an annual basis and the Board receives a report on compliance with the Code. Transactions and agreements in respect of which a director or executive officer has a material interest must be reviewed and approved by the Board in accordance with the Code.

In addition to its Corporate Governance Policy, the Board has also adopted an Insider Trading Policy and a Foreign Corrupt Practices Policy, both of which are available on SEDAR at www.sedar.com or upon request to the Corporate Secretary of the Corporation at its office at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.

4. Nomination of Directors

The Board has the ultimate responsibility for the appointment, nomination and assessment of directors, but it performs this function with the assistance of the Nomination and Corporate Governance Committee. The Board believes that this is a practical approach at this stage of the Corporation’s development. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and particular knowledge of the Corporation’s industry or other industries which provide relevant experience or which would assist in guiding the officers of the Corporation. As such, and in order to encourage an objective nomination process, nominations tend to be the result of recruitment efforts by management of the Corporation and members of the Nomination and Corporate Governance Committee, but are subject to informal discussions among the directors prior to the consideration by the Board as a whole of the nominated director.

The Nomination and Corporate Governance Committee is a committee of the Board which assists the Board by providing it with recommendations relating to corporate governance in general including, without limitation: (a) all matters relating to the stewardship role of the Board in respect of the management of the Corporation, (b) Board size and composition, including the candidate selection process and the orientation of new members, (c) Board compensation, and (d) such procedures as may be necessary to allow the Board to function independently of management. The Corporate Governance Committee also oversees compliance with policies associated with an efficient system of corporate governance.

5. Compensation

The Compensation Committee reviews and approves salary and benefits for executives of the Corporation and compensation for the directors of the Corporation. The Corporation has developed policies for the compensation of its executives and directors. For specific disclosure regarding the compensation of executive officers including the CEO and the CFO, please see “Statement of Executive Compensation”.

Two of the current and proposed members of the Compensation Committee are considered to be independent directors.

The Charter of the Compensation Committee establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees) and the manner of reporting to the Board. In addition, the Compensation Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

The Compensation Committee is responsible, among other things, for:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;
- (b) making recommendations to the Board with respect to officer and director compensation, incentive compensation plans and equity-based plans; and
- (c) reviewing executive compensation disclosure before the Corporation publicly discloses this information.

The current and proposed members of the Compensation Committee have the skills and experience necessary to enable the Compensation Committee as a whole to make decisions on the suitability of the Corporation's compensation policies and practices. See above under "Election of Directors – Biographies of Proposed Directors".

6. Other Board Committees

The Corporation has the following standing committees: the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee.

7. Assessments

The Board monitors the effectiveness of the relationship between management of the Corporation and the Board, the effectiveness of Board operations, the operations of the committees of the Board and of individual directors, and recommends improvements as necessary. This is accomplished through an informal process in discussions between the directors at Board meetings and between the independent directors at in camera sessions. Individual directors are encouraged to raise any perceived issues before the Board.

SCHEDULE "C"
CHARTER OF THE AUDIT COMMITTEE

MELIOR RESOURCES INC.
(the "Corporation")

I. Purpose

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") which assists the Board in overseeing the Corporation's financial controls and reporting and in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. The Committee's primary duties and responsibilities are to:

- Oversee: (i) the integrity of the Corporation's financial statements; (ii) the Corporation's compliance with legal and regulatory requirements with respect to financial controls and reporting; and (iii) the auditor's qualifications and independence.
- Serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems.
- Review and appraise the audit activities of the Corporation's independent auditor and its internal auditing functions.
- Provide open lines of communication among the independent auditor, financial and senior management and the Board for financial reporting and control matters.

II. Composition

Members of the Committee are appointed and removed by the Board. The Board shall designate annually the members of the Committee and a Chairman of the Committee. The Committee will be comprised of at least three directors, at least two of whom qualify as independent directors, as determined by the Board¹. All members of the Committee should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board. All members of the Committee shall be financially literate. "Financial literacy" shall be determined by the Board in the exercise of its business judgment, and shall include a working familiarity with basic finance and accounting practices and an ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements. Committee members, if they or the Board deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

III. Responsibilities

The Board, in establishing the Committee, has acknowledged that the Corporation is a venture

¹ Determined in accordance with National Instrument 52-110 – *Audit Committees*.

issuer and, as such, the responsibilities outlined herein are intended as general guidelines intended to be applied in the context of the size of the Corporation and its stage of development. The responsibilities of the Committee shall generally include, but shall not be restricted to, undertaking the following:

Selection and Evaluation of Auditor

- (a) Recommending to the Board the external auditor (subject to shareholder approval) to be engaged to prepare or issue an auditor's report or performing other audit, review or attest services for the Corporation and the compensation of such external auditor.
- (b) Overseeing the independence of the Corporation's auditor and taking such actions as the Committee may deem necessary to satisfy it that the Corporation's auditor is independent within the meaning of applicable securities laws by, among other things: (i) requiring the independent auditor to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditor and the Corporation; and (ii) actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and taking appropriate action to satisfy itself of the auditor's independence.
- (c) Instructing the Corporation's independent auditor that: (i) it is ultimately accountable to the Committee (as representatives of the shareholders of the Corporation); (ii) they must report directly to the Committee; and (iii) the Committee is responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditor.
- (d) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditor, on a regular basis, as required.
- (e) Reviewing and pre-approving all audit and permitted non-audit services or mandates to be provided by the independent auditor to the Corporation or any of its subsidiaries including tax services, and the proposed basis and amount of the external auditor's fees for such services, and determining which non-audit services the auditor is prohibited from providing (and, if deemed advisable, adopting specific policies and procedures related thereto).
- (f) Reviewing the performance of the Corporation's independent auditor and replacing or terminating the independent auditor (subject to required shareholder approvals) when circumstances warrant.

Oversight of Annual Audit

- (a) Reviewing and accepting, if appropriate, the annual audit plan of the Corporation's independent auditor, including the scope, extent and schedule of audit activities, and monitoring such plan's progress and results during the year.
- (b) Confirming through private discussions with the Corporation's independent auditor and the Corporation's management that no management restrictions are being placed on the scope of the independent auditor's work.

- (c) Reviewing with the external auditor any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditor regarding accounting and financial reporting.
- (d) Reviewing with management and the external auditor the results of the year-end audit of the Corporation including: (i) the annual financial statements and the audit report, the related management representation letter, the related "Memorandum Regarding Accounting Procedures and Internal Control" or similar memorandum prepared by the Corporation's independent auditor, any other pertinent reports and management's responses concerning such memorandum; and (ii) the qualitative judgments of the independent auditor about the appropriateness, and not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation including any alternative treatments of financial information that have been discussed with management, the ramification of their use and the independent auditor's preferred treatment as well as any other material communications with management and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.

Oversight of Financial Reporting Process and Internal Controls

- (a) Reviewing with management and the external auditor the annual financial statements and accompanying notes, the external auditor's report thereon and the related press release, and obtaining explanations from management on all significant variances with comparative periods, before recommending approval by the Board and the release thereof.
- (b) Reviewing with management the quarterly financial statements, any auditor's review thereof and the related press release before recommending approval by the Board and the release thereof.
- (c) Reviewing and periodically assessing the adequacy of the Corporation's procedures for the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, including reviewing the financial information contained in the annual information form, management proxy circular, management's discussion and analysis, prospectuses and other documents containing similar financial information before their public disclosure or filing with regulatory authorities including any Committee report for inclusion in the Corporation's management information circular in accordance with applicable rules and regulations.
- (d) Periodically reviewing the Corporation's disclosure policy to ensure that it conforms with applicable legal and regulatory requirements.
- (e) Reviewing the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures through inquiry and discussions with the Corporation's independent auditor and management.
- (f) Monitoring the quality and integrity of the Corporation's disclosure controls and procedures and management information systems through discussions with management and the external auditor.
- (g) Overseeing management's reporting on internal controls and disclosure controls and procedures.

- (h) Reviewing on a regular basis and monitoring the Corporation's policies and guidelines which govern the Corporation's risk assessment and risk management including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures including hedging policies through the use of financial derivatives, if any.
- (i) Establishing and maintaining free and open means of communication between and among the Board, the Committee, the Corporation's independent auditor and management.

Other Matters

- (a) Assisting the Board with oversight of the Corporation's compliance with applicable legal and regulatory requirements including meeting with outside counsel when appropriate to review legal and regulatory matters including any matters that may have a material impact on the financial statements of the Corporation.
- (b) Reviewing and approving any transactions between the Corporation and members of management and/or the Board as well as policies and procedures with respect to officers' expense accounts and perquisites including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditor.
- (c) Conducting or authorizing investigations into any matters within the Committee's scope of responsibilities including retaining outside counsel or other consultants or experts as the Committee determines necessary to carry out its duties and to set and pay the compensation for these advisors.
- (d) Establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (e) Establishing procedures for the review and approval of financial and related information of the Corporation.
- (f) Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
- (g) Performing such additional activities, and considering such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

IV. Meetings and Advisors

The Committee will meet as often as it deems necessary or appropriate to perform its duties and carry out its responsibilities described above in a timely and efficient manner, but not less than quarterly. The quorum at any meeting of the Committee shall be a majority of its members. All such meetings shall be held pursuant to the by-laws of the Corporation with regard to notice and waiver thereof.

The Committee shall meet on a regular basis without management or the external auditor. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. As part of its mandate to foster open communications, the Committee shall meet at least annually, and more frequently as required, with

management and the Corporation's independent auditor in separate executive sessions to discuss any matters that the Committee or any of these groups or persons believe should be discussed privately. The independent auditor will have direct access to the Committee at its own initiative. The Chairman of the Committee shall work with the Chief Financial Officer and management to establish the agenda for Committee meetings.

Written minutes of each meeting of the Committee shall be filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board.

The Committee shall, in appropriate circumstances and subject to advising the Chairman of the Board, have the authority to engage and obtain advice and assistance from such advisors including outside legal counsel and accountants, as it determines is necessary or appropriate to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of the fees of (i) any independent auditor engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (ii) any independent advisors employed by the Committee.

V. Disclosure of Charter

The charter shall be published in the Corporation's annual information form or information circular if required by applicable securities laws.

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee.