

**KAPUSKASING GOLD CORP.**

#501, 133 Richmond Street

Toronto ON M5h 2L3

Telephone: (416) 708-0243

**INFORMATION CIRCULAR**

(Containing Information as at November 10, 2017)

**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the Management of of Kapuskasing Gold Corp. (the “Company” or “KAP”), for use at the Annual General & Special Meeting (the “Meeting”), of the Shareholders of the Company, to be held on Wednesday, the 20<sup>th</sup> day of December 2017, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment or postponement thereof.** The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of Proxy are Directors and/or Officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT OR POSTPONEMENT THEREOF.**

The Instrument of Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a Corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment or postponement of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

**VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a Special Resolution, in which case a majority of not less than 66⅔% of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company 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 Company. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its 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 purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company's authorized capital consists of an unlimited number of common shares (“**Common Shares**”) without par value, each share carrying the right to one vote, of which 58,327,650 Common Shares are issued and outstanding as at November 10, 2017 and an unlimited number of Preferred Shares of which none are outstanding as at November 10, 2017. The Company has no other classes of securities.

Any shareholder of record at the close of business on November 10, 2017 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common of the Company as at November 10, 2017.

## **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had two (2) “Named Executive Officers” during the financial year ended May 31, 2017, namely Jonathan Armes (CEO) and James Fairbairn (CFO).

### **Definitions: For the purpose of this Information Circular:**

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**closing market price**” means the price at which the company’s security was last sold, on the applicable date, in the security’s principal marketplace in Canada, or if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**grant date**” means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO; and
- (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 CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

“**NI 52-107**” means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

Each executive officer receives a base salary, which constitutes the largest share of the officer's compensation package. Base salary is recognition for discharging job responsibilities and reflects the officer's performance over time, as well as that individual's particular experience and qualifications. An officer's base salary is reviewed by the Board of Directors on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. Officers are also eligible to receive discretionary bonuses as determined by the Board of Directors based on each officer's responsibilities, his achievement of corporate objectives and the Company's financial performance.

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO in the two most recently completed financial years:

<b>Table of compensation excluding compensation securities</b>							
<b>Name and principal position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites <sup>(1)</sup> (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)</b>
Jonathan Armes <sup>(2)</sup> Director, CEO & President	2017	30,000	Nil	Nil	Nil	12,200	42,200
	2016	10,762	Nil	Nil	Nil	7,000	17,762
James Fairbairn <sup>(3)</sup> Director & CFO	2017	24,000	Nil	Nil	Nil	12,200	36,200
	2016	2,000	Nil	Nil	Nil	Nil	2,000
Garry Clark <sup>(4)</sup> Director & Exploration Manager	2017	4,891	Nil	Nil	Nil	9,700	14,591
	2016	55,765	Nil	Nil	Nil	7,000	62,765
Andrew Davidson Director	2017	Nil	Nil	Nil	Nil	4,900	4,900
	2016	Nil	Nil	Nil	Nil	7,000	7,000
John Kiernan Director	2017	Nil	Nil	Nil	Nil	4,900	4,900
	2016	Nil	Nil	Nil	Nil	7,000	7,000

Notes:

- "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- Jonathan Armes charged the Company for services as President & CEO of the Company through his personal company J.A. Marketing and Consulting Services. Mr. Armes did not receive compensation from the Company for his role as a Director.
- James Fairbairn charged the Company for services as CFO of the Company through his personal company 1282803 Ontario Inc. Mr. Fairbairn did not receive compensation from the Company for his role as a Director.
- Garry Clark charged the Company for services as Exploration Manager of the Company through his personal company Clark Exploration Consulting Inc. Mr. Clark did not receive compensation from the Company for his role as a Director.

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended May 31, 2017 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Jonathan <sup>(1)</sup> Armes	Stock Options	250,000	Jul 20/16	0.05	0.045	0.05	Jul 20/21
James Fairbairn	Stock Options	250,000	Jul 20/16	0.05	0.045	0.05	Jul 20/21
Garry Clark <sup>(2)</sup>	Stock Options	200,000	Jul 20/16	0.05	0.045	0.05	Jul 20/21
Andrew Davidson <sup>(3)</sup>	Stock Options	100,000	Jul 20/16	0.05	0.045	0.05	Jul 20/21
John Kiernan <sup>(4)</sup>	Stock Options	100,000	Jul 20/16	0.05	0.045	0.05	Jul 20/21

(1) Jonathan Armes also holds 125,000 stock options exercisable at \$0.10 and expiring on January 15, 2020.

(2) Garry Clark also holds 125,000 stock options exercisable at \$0.10 and expiring on January 15, 2020.

(3) Andrew Davidson also holds 125,000 stock options exercisable at \$0.10 and expiring on January 15, 2020.

(4) John Kiernan also holds 125,000 stock options exercisable at \$0.10 and expiring on January 15, 2020.

## Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended March 31, 2017.

## Stock Option Plan

The Company has in effect the Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity compensation plans other than the Stock Option Plan. For further information on the Company's equity compensation plans, refer to the heading "Approval of the Incentive Stock Option Plan."

## Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors

and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has a short term compensation component in place, which includes the accrual and/or payment of management fees to certain NEOs, and a long-term compensation component in place, which may include the grant of stock options under the Plan. The Company intends to further develop these compensation components. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

#### **Pension Plan Benefits**

The Company does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

#### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

During the year ended May 31, 2017, the Company did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities.

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

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of May 31, 2017:

### **EQUITY COMPENSATION PLAN INFORMATION**

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	2,775,000	\$0.07	1,931,099
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>TOTAL</b>	<b>2,775,000</b>	<b>\$0.07</b>	<b>1,931,099</b>

For further information on the Company's equity compensation plans, refer to the heading "Approval of the Incentive Stock Option Plan."

### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at May 31, 2017, or is currently indebted to the Company.

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

Since June 1, 2016, being the commencement of the Company's most recently completed financial year, no

- (a) person who has been a director, senior officer or insider of the Company;
- (b) proposed nominee for election as a director of the Company; and
- (c) associate or affiliate of any of the foregoing persons

has any material interest, direct or indirect, in any matter to be acted upon (other than the election of directors or the appointment of auditors).

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended May 31, 2017, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or

(c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

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

### **1. Financial Statements**

The audited financial statements of the Company for the period ended May 31, 2017 (the “**Financial Statements**”), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Management Discussion and Analysis, were mailed to those Shareholders who had requested them. Copies of the Financial Statements, together with the Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy are available, along with additional information relating to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Company at 133 Richmond Street West, #501, Toronto, ON M5H 2L3.

### **2. Election of Directors**

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of common shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of November 10, 2017.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his successor is duly elected, if his office is earlier vacated, in accordance with the Articles of the Company.

**In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

<b>Name, Province and Country of Ordinary Residence and Positions held with the Corporation</b>	<b>Director / Officer since</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Common Shares Beneficially Owned Directly or Indirectly<sup>(1)</sup></b>
John Kiernan British Columbia Director	May 2, 2012	President of Kierstone Capital Inc. a private company owned by Mr. Kiernan. Chief Operating Officer for Ascot Resources Ltd. since November 2017. VP Project Development at Magellan Minerals Ltd. from August 2012 to May 2016.	70,000
J. Garry Clark Ontario Director	May 29, 2014	Professional Geologist registered with the Association of Professional Geoscientists of Ontario. He has held various exploration geological positions with both major and junior explorers. Mr. Clark is the Executive Director of the Ontario Prospectors Association (OPA) since the restructuring in 2000 and has been a Director, Vice President or President of the OPA since its formation in the early 1990's. Mr. Clark serves on various junior company boards including Mineral Mountain Resources Ltd. and US Cobalt Inc.	766,560
Jonathan Armes Ontario Director	Oct 8, 2014	President and Chief Executive Officer of ALX Uranium Corp. since August 12, 2010 and a Director of ALX Uranium Corp., since August 12, 2010. Mr. Armes has provided corporate development and investor relations services to mining exploration companies for over 15 years.	902,000



James Fairbairn Ontario Director	May 2, 2016	Chartered Accountant with over 25 years of experience in corporate governance, leadership, mergers and acquisitions, corporate finance, financial management and financial and management reporting.	684,000 <sup>(2)</sup>
Marco Guidi <sup>(3)</sup> Ontario CFO	Nominee	CFO of the Company since November 1, 2017. Self-employed consultant/CFO for various publicly listed companies.	Nil

Note:

- (1) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors.
- (2) Of these shares, 200,000 are held in Mr. Fairbairn's private company 1282803 Ontario Inc.
- (3) Andrew Davidson is not standing for re-election and is being replaced by Mr. Guidi.

The Company does not currently have an Executive Committee of its Board of Directors. The members of the Audit Committee are: John Kiernan, Garry Clark and Andrew Davidson.

### ***Advance Notice Provision***

At the Company's annual and special meeting held April 29, 2014, the shareholders approved an alteration of the Company's Articles to include Advance Notice Provision, which allows the Company to fix a deadline for receipt of director nominations submitted by holders of record of Common Shares of the Company prior to any annual or special meeting of shareholders. The Advance Notice Provision also sets out the information requirements to be included in the written form of notice of such director nominations.

At the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Company's Articles, and any nominations for director, other than nominations by or at the direction of the Board or an authorized officer of the Company, will be disregarded at the Meeting.

Other than as disclosed below, no proposed director (including any personal holding company of a proposed director), is:

- (a) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), 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, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:
  - (i) 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 since December

31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or

- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

J. Garry Clark, a director of the Company, is a director of Superior Canadian Resources Inc. (“**Superior**”). On May 14, 2008, the Alberta Securities Commission and the British Columbia Securities Commission issued cease trade orders against Superior for failure to file annual audited financial statements. On December 5, 2008, the cease trade order was revoked. On January 12, 2009, Superior was halted as a result of the suspension of transfer agent services and on January 30, 2009, Superior was suspended. On July 13, 2009, Superior was delisted for failure to pay their annual sustaining fees.

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

### **3. Appointment of Auditor**

Management recommends the re-appointment of Davidson & Company, Chartered Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6 as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board of Directors, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment. Davidson & Company was first appointed as auditor of the Company on March 26, 2014.

**In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the re-appointment of Davidson & Company, Chartered Accountants.**

### **4. Approval of the Incentive Stock Option Plan**

The Company’s stock option plan (the “**Stock Option Plan**”) provides that options will be issued to directors, officers, employees or consultants of the Company and its affiliates was implemented effective June 23, 2015 and approved and ratified at the last annual general meeting of Shareholders held on November 23, 2016. The Stock Option Plan provides that the number of Common Shares issuable under the Stock Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. The Stock Option Plan is administered by the CEO and CFO of the Company.

The following is a summary of important provisions of the Stock Option Plan. It is not a comprehensive discussion of all of the terms and conditions of the Stock Option Plan. Readers are advised to review the full text of the Stock Option Plan to fully understand all terms and conditions of the Stock Option Plan:

- the number of common shares reserved for issue to any one person in any 12-month period under the Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of common shares reserved for issue to any Consultant (as defined by the Exchange) in any 12-month period under the Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the aggregate number of common shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12-month period under the Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the exercise price per common share for a stock option may not be less than the Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years subject to in the event the expiration date of an option falls within a black out period, such expiration date will be automatically extended to the date which is the 10<sup>th</sup> business day following expiry of the black-out period;
- stock options are non-assignable and non-transferable; and

- the Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

TSXV policy requires that each TSXV listed company have a stock option plan if the company intends to grant options. In order to comply with TSXV policy, and to provide incentive to directors, officers, employees and consultants to act in the best interests of the Company, the Company adopted the Stock Option Plan to comply with the current policies of the TSXV. The Stock Option Plan was first approved by the shareholders in 2015 and last amended on March 22, 2017. The Stock Option Plan may be found as Schedule "C" of the information circular dated May 27, 2015, filed on June 2, 2015 under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Amendments to the Stock Option Plan**

The following amendments are to be made to the Company's Stock Option Plan to conform with the policies of the TSX Venture Exchange:

- (A) Under Section 4.02 – Amendment or Discontinuance of the Plan, the following sentence was added to the end of the paragraph:

For further clarity, Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Issuer at the time of the proposed amendment.

Under TSXV policy, continuation of the Stock Option Plan requires annual shareholder approval by ordinary resolution at the annual meeting of the Company. The Company is of the view that the Stock Option Plan provides a way for the Company to attract and retain executives, employees and other service providers who will effectively manage the affairs of the Company. A copy of the Stock Option Plan will be available for inspection at the Meeting.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve and pass the following ordinary resolution:

“BE IT RESOLVED THAT:

1. The incentive Stock Option Plan of the Company, as amended by the Board (the “**Plan**”), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company be and is hereby ratified and approved;
2. The Company is authorized to grant stock options under the Plan in accordance with its terms;
3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the TSX Venture Exchange (the “**Exchange**”) to obtain Exchange acceptance of the Plan; and
4. Authority is granted to the Board of Directors of the Company to make such amendments to the Plan as are required by the Exchange to obtain Exchange acceptance of the Plan.”

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote in favour of the foregoing resolution.**

The directors of the Company recommend that the shareholders vote FOR the approval of the Incentive Stock Option Plan.

### **MANAGEMENT CONTRACTS**

The Company is not a party to a Management Contract with anyone other than Directors or Executive Officers of the Company.

**AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

**CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 501, 133 Richmond Street, Toronto, ON, M5H 2L3, phone (416) 708-0243 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

**DIRECTOR APPROVAL**

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Toronto, Ontario, this 13<sup>th</sup> day of November 2017.

*"Jonathan Armes"*

---

**JONATHAN ARMES**

President, Chief Executive Officer and Director

**SCHEDULE "A"**  
**KAPUSKASING GOLD CORP.**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

---

**ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

**PURPOSE**

The overall purpose of the Audit Committee (the "**Committee**") of Olympic Resources Ltd. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the board of directors of the Company (the "**Board**") that through the involvement of the Committee, the external audit will be conducted independently of the Company's management (the "**Management**") to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board.
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## **ROLES AND RESPONSIBILITIES**

9. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
  - (e) be non-audit services provided by the external auditors;
    - (i) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - (ii) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

12. The Committee is also charged with the responsibility to:

- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board,
  - (vii) and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

13. The Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee; and
- (c) to communicate directly with the internal and external auditors.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are Andrew Davidson, John Kiernan and J. Garry Clark. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in Multilateral Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

### **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Audit Committee is as follows:

#### **Mr. Andrew Davidson**

Mr. Davidson is a chartered accountant with a long history in the reporting and compliance aspects of Canadian listed entities, and has extensive experience with capital structuring and strategic corporate finance. Currently, Mr. Davidson is the Chief Financial Officer and Secretary for 49 North Resources Inc., (TSX-V "FNR") and is also an officer and/or director of several other public and private companies, including Gespeg Copper Resources Inc., Omineca Mining and Metals Ltd., Westcore Energy Ltd. and Greywacke Exploration Ltd., all of which are listed on the TSX Venture Exchange or the Canadian Stock Exchange.

#### **Mr. John Kiernan**

Mr. Kiernan is a registered professional engineer in the Provinces of British Columbia and Ontario. Mr. Kiernan received his Bachelor of Science (Mining Engineering) from Queen's University in 1986 and his MBA from Laurentian University in 1995. Mr. Kiernan is currently President of Kierstone Capital Inc., a private company owned by Mr. Kiernan. He currently serves as Chief Operating Officer of Ascot Resources Ltd. and as a director for Northern Superior Resources Inc.

#### **Mr. J. Garry Clark**

Mr. Clark, B.Sc. Honours geology is a Professional Geologist registered with the Association of Professional Geoscientists of Ontario. He has held various exploration geological positions with both major and junior explorers. In the late 1980's Mr. Clark began his consulting career with a lengthy list of projects across Ontario and globally. Mr. Clark is the Executive Director of the Ontario Prospectors Association (OPA) since the restructuring in 2000 and has been a Director, Vice President or President of the OPA since its formation in the early 1990's. The Ontario Prospectors Association is focused on providing the mineral explorers of Ontario a stronger voice for issues that affect them. Mr. Clark serves on various provincial government committees and boards that support the mineral explorers. Some of these include the Minister of Mines Mining Act Advisory Committee and Ontario Geological Survey Advisory Board.

### **ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company, Chartered Accountants) not adopted by the Board.

### **ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of MI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of MI 52 110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

### **ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.



**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years is as follows:

	<u>FYE 2017</u>	<u>FYE 2016</u>
Audit Costs Including T2 Corporate Tax Returns for the year ended	\$15,500	\$11,000
All other fees (non-tax) Assistance with Quarterly Report Preparation:	Nil	Nil
<b>Total Fees:</b>	<b>\$15,500</b>	<b>\$11,000</b>

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

## SCHEDULE “B”

### KAPUSKASING GOLD CORP.

### CORPORATE GOVERNANCE

---

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

#### ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board. The Board reviews its procedures on an ongoing basis to ensure it is functioning independently of management. As circumstances require, the Board meets without management present, and convenes meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

**Mr. Jonathan Armes** is the President and Chief Executive Officer of the Company and is therefore not independent.

**Mr. J. Garry Clark** is the Exploration Manager of the Company and is therefore not independent.

**Mr. James Fairbairn**, is the former Chief Financial Officer of the Company is therefore not independent.

**Mr. Marco Guidi**, is the Chief Financial Officer of the Company is therefore not independent.

**Mr. John Kiernan**, a director of the Company, is “independent” in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

#### ITEM 2. DIRECTORSHIPS

The directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
John Kiernan	Northern Superior Resources Inc. (TSXV)
J. Garry Clark	Mineral Mountain Resources Ltd. (TSXV) US Cobalt Inc. (TSXV)
James Fairbairn	Crown Mining Corp. (TSXV) Southeast Asia Mining Corp. (Reporting Issuer) Wamco Technology Group Ltd. (Reporting Issuer)

#### ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company brief all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

#### ITEM 4. ETHICAL BUSINESS CONDUCT

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material

contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### **ITEM 5. NOMINATION OF DIRECTORS**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

#### **ITEM 6. COMPENSATION**

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

#### **ITEM 7. OTHER BOARD COMMITTEES**

The Board of Directors has no other committees other than the Audit Committee.

#### **ITEM 8. ASSESSMENTS**

On an ongoing basis, the Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.