Notice of Annual and Special Meeting of Shareholders

Management Information Circular

May 12, 2017

MORIEN RESOURCES CORP.
Metropolitan Place, 99 Wyse Road, Dartmouth, NS B3A 4S5

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT:

The annual and special meeting ("**Meeting**") of the shareholders ("**Shareholders**") of Morien Resources Corp. ("**Corporation**") will be held at the offices of McInnes Cooper, Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, on **Wednesday, June 14th, 2017 at 9:00 a.m. (Atlantic Time)** for the following purposes:

(a) to receive the financial statements of the Corporation for the year ended December 31, 2016, together with the report of the auditor thereon. No vote by Shareholders with respect thereon is required or proposed to be taken;

(b) to elect directors of the Corporation for the forthcoming year;

(c) to appoint the auditor of the Corporation for the forthcoming year and to authorize the directors to fix the auditor's remuneration;

(d) to consider and, if deemed advisable, pass a special resolution authorizing the reduction of the stated capital account of the common shares of the Corporation, as more particularly described in the accompanying management information circular ("**Circular**");

(e) to ratify, confirm and approve the Corporation's incentive stock option plan, as amended by the amendment described in the Circular; and

(f) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying and forming part of this notice of meeting.

Only Shareholders of record as of the close of business on Wednesday, May 10, 2017 are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a **Registered Shareholder**, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.,** not later than **Monday, June 12, 2017 at 9:00 a.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

(a) by **mail** in the enclosed envelope;

(b) by the **Internet** or **telephone** as described on the enclosed proxy; or

(c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

Non-Registered Shareholders whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found on page 2 of the attached Circular.

If you receive more than one proxy or voting instruction form, as the case may be, for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted you should sign and return all proxies and voting instruction forms that you receive.

Dated at Halifax, Nova Scotia, as of the 12th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "John P.A. Budreski"

President and Chief Executive Officer

MORIEN RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

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MORIEN RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

(as at May 12, 2017 except as indicated)

INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING

THIS MANAGEMENT INFORMATION CIRCULAR ("CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF MORIEN RESOURCES CORP. ("**Corporation**") for use at the annual and special meeting of the shareholders of the Corporation ("**Shareholders**") to be held at Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, on Wednesday, June 14, 2017 at 9:00 a.m. (Atlantic Time) ("**Meeting**"), or at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**").

The Corporation is the successor to Advanced Primary Minerals Corporation ("**APM**") resulting from a plan of arrangement that was effective on November 9, 2012 (the "**Arrangement**").

Solicitation of Proxies

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

Appointment and Revocation of Proxies

Shareholders of the Corporation may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of the Corporation ("**Common Shares**") are registered in the Shareholder's name, they are said to be owned by a "**Registered Shareholder**". If Common Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and/or directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him or her at the Meeting other than the persons designated in the enclosed form of proxy**. Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one (1) proxy or voting instruction form, it is because that Shareholder's shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

Registered Shareholders:

Registered Shareholders have two (2) methods by which they can vote their Common Shares at the Meeting, namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this management information circular (the "**Circular**"). Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. The vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or who do not wish to vote in person can vote by proxy.

Proxies must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.** ("**Computershare**"), not later than **Monday, June 12, 2017 at 9:00 a.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

(a) by **mail** in the enclosed envelope; or

(b) by the **Internet** or **telephone** as described on the enclosed proxy; or

(c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing a proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) at the registered office of the Corporation, 99 Wyse Road, Suite 1480, Dartmouth, Nova Scotia B3A 4S5, Attn: John P.A. Budreski, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

Non-Registered Shareholders:

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, and either the voting instructions form ("**VIF**") or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and indirectly, through intermediaries, to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

Meeting Materials Received by OBOs from Intermediaries:

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

(a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.

(b) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be

completed by the OBO and returned to Computershare Investor Services Inc. in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the instructions provided by the intermediary. **In either case, OBOs who received Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

Meeting Materials Received by NOBOs from the Corporation:

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares of the Corporation have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. Computershare will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIF's received by Computershare.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxyholder of such Common Shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading "*Registered Shareholders*" for a description of the procedure to return a proxy, your right to appoint another person or company as your proxy to attend the Meeting, and your right to revoke the proxy.

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

Notice-and-Access

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

Exercise of Proxies

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed instrument appointing a proxy to vote in accordance with the recommendations of management of the Corporation.

Voting Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 52,916,114 are issued and outstanding as of the date hereof.

The board of directors of the Corporation (the "**Board**" or "**Board of Directors**") has fixed the record date for the Meeting as the close of business on Wednesday, May 10, 2017 (the "**Record Date**"). Only Shareholders of record as of the close of business on the Record Date will be entitled to vote at the Meeting, provided that if a Shareholder has transferred any Common Shares after the Record Date and the transferee, having produced properly endorsed certificates evidencing such Common Shares or otherwise establishing ownership of such Common Share to the satisfaction of the Board, has demanded not later than ten (10) days before the Meeting that the transferee's name be included on the voting list for the Meeting, such transferee shall be entitled to vote the transferred Common Shares at the Meeting.

Shareholders entitled to vote shall have one (1) vote each on a show of hands and one (1) vote per Common Share on a poll.

Quorum

At least one (1) person present in person holding or representing by proxy not less than five percent (5%) of the Common Shares entitled to be voted at the Meeting will constitute a quorum at the Meeting.

Principal Shareholders

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, the only person or company which beneficially owns, or exercises control or direction over, directly or indirectly, ten percent (10%) or more of the voting rights attached to the outstanding Common Shares is Atlantic Royalty LLC, which beneficially owns, or exercises control or direction over, 5,950,000 Common Shares or 11.24% of the issued and outstanding Common Shares.

BUSINESS TO BE TRANSACTED AT THE MEETING

Presentation of Financial Statements

The financial statements of the Corporation, the auditor's report thereon and management's discussion and analysis for the fiscal year ended December 31, 2016, are filed on SEDAR under the Corporation's profile and will be presented to the Shareholders at the Meeting.

Election of Directors

The articles of the Corporation provide that the size of the Board must consist of not less than one (1) director and not more than fifteen (15) directors to be elected annually. The Board has fixed the size of the Board for the forthcoming year at five (5). The Board is also authorized to appoint up to one-third (1/3) of the number of directors elected at the previous annual general meeting of Shareholders.

The persons named in the list that follows are current directors of the Corporation and are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year. They have all confirmed their willingness to continue to serve as directors, if re-elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated.

Unless the proxy specifically instructs the proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below. Management does not contemplate that any of these proposed nominees will be unable to serve as a director of the Corporation, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed instrument appointing proxy will have the right to use their discretion in voting for a properly qualified substitute.

Name, Province and Country of Residence	Principal Occupation	Director Since	Current Position(s) with the Corporation	Common Shares of the Corporation Owned, Controlled or Directed[1]
John P. A. Budreski British Columbia, Canada	President and CEO of the Corporation; Executive Chairman of EnWave Corporation	November 9, 2012	President, Chief Executive Officer and Director	880,000
Peter C. Akerley Nova Scotia, Canada	President and CEO, Erdene Resource Development Corporation (a mineral exploration company)	November 9, 2012	Director, Chairman of the Board	274,290
John P. Byrne[2][3] Ontario, Canada	President, Petroleum Corporation of Canada Exploration Ltd. (an oil exploration and development company)	November 9, 2012	Director	1,517,250
Charles G. Pitcher[2][3] Ontario, Canada	President, The Mining House Inc. (a mine engineering and management services company)	July 9, 2012 (date of first appointment as a director of APM)	Director	125,000
J. William (Bill) Ritchie[2][3] Nova Scotia, Canada	Retired Nova Scotia businessman.	January 27, 2016	Director	1,125,000

Notes:
(1) The information as to shareholdings was provided by the directors as of May 8, 2017.
(2) Member of the Audit Committee.
(3) Member of the Governance Committee.

John P.A. Budreski - Mr. Budreski was formerly a Vice Chairman of Cormark Securities Inc. and prior to that, President and Chief Executive Officer of Orion Securities Inc. which was sold to Macquarie Group in 2007. He has over 25 years of broad experience in the resource and resource financing industries. Mr. Budreski has a Bachelor of Engineering from Dalhousie/TUNS University in Halifax, Nova Scotia and an MBA from the University of Calgary, Alberta. Mr. Budreski is also a director and Executive Chairman of EnWave Corporation, and a director of Sandstorm Gold Ltd., Input Capital Corp., Alaris Royalty Corp and Colossus Minerals Inc.

Peter C. Akerley – Mr. Akerley has been the president, chief executive officer and a director of Erdene Resource Development Corporation ("**Erdene**") since March 2003. He has over 25 years of experience in mineral

exploration, corporate financing, project development and management of publicly listed resource companies. Mr. Akerley is a geologist who previously provided corporate development, exploration and managerial services for projects in Canada, Guyana, Mexico, the Philippines, the United States of America and Mongolia to junior and senior exploration and mining companies. Mr. Akerley has a BSc (1988) from Saint Mary's University in Halifax.

John P. Byrne – Mr. Byrne has more than 30 years of investment banking and corporate finance experience. He is President of Petroleum Corporation of Canada Exploration Limited ("**Petrex**"), an oil and gas exploration and development company, and has held that position since 1976. Petrex helped establish and finance Enerplus Energy Services Limited for which Mr. Byrne served as Vice-Chairman (1986-2000). He also served in senior executive roles with Levesque Beaubien Geoffrion Inc. (now National Bank Financial), A.E. Ames & Company Ltd./Dominion Securities Ames Ltd. and The First Boston Corporation. Mr. Byrne graduated from McGill University with a BA and from the University of Toronto Law School with a LLB. He is also a Chartered Financial Analyst. Mr. Byrne is also a director of Erdene.

Charles G. Pitcher - Mr. Pitcher has over four decades of experience in civil and mining operations, engineering, project development and mines management. He has provided his consulting services through The Mining House Inc since 1985. In 2012, he was President and Chief Operating Officer of Wilson Creek Coal LLP in Pennsylvania. From 2002 to 2004, he served in the offices of President and Chief Executive Officer and Chief Operations Officer of Western Canadian Coal Corp., a producer of high quality metallurgical coal, and continued as a director until 2010. He has been a director of Morien since July 9, 2012. Mr. Pitcher holds a B.Sc. Mining Engineering degree (1979) from the Colorado School of Mines and is a member of the Professional Engineers of Ontario and the Canadian Institute of Mining & Metallurgy.

J. William (Bill) Ritchie – Mr. Ritchie's distinguished career includes having been chair and CEO of Scotia Bond Ltd., as well as being one of the founders of Keltic Savings Corporation Limited. Over the years, Mr. Ritchie has served on boards of companies including Empire Company Ltd., Sobeys Inc., Keltic Inc., DHX Media Ltd., King Insurance and e-Academy Inc. Mr. Ritchie is currently a director of SimplyCast Interactive Marketing Ltd. and Kivuto Solutions Inc. His important contributions to the local business community were recognized when he was inducted into the Nova Scotia Business Hall of Fame in June 2010. Mr. Ritchie holds a B.Sc. from McGill University in Montreal.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as noted below, to the knowledge of the Corporation:

(a) no proposed director of the Corporation is, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

(b) no proposed director of the Corporation:

(i) is, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Corporation) 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

(ii) has, within ten years prior to the date hereof, 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.

John P.A. Budreski was a director of EarthFirst Canada Inc. ("**EarthFirst**") until March 2, 2010. EarthFirst was engaged in the development of wind power and related generation facilities, when it obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") on November 4, 2008. The CCAA process has been completed and EarthFirst amalgamated with another entity and no longer exists as a separate entity. In addition, Mr. Budreski became a director of Colossus Minerals Inc. ("**Colossus**") in late March of 2014 pursuant to the terms of, and upon the completion of, a Court supervised restructuring. Prior to Mr. Budreski joining the Board of Colossus, Colossus had failed to file its requisite disclosure materials with the applicable regulatory bodies and, on April 29, 2014, the Ontario Securities Commission issued a cease trade order against Colossus. As of the date hereof, the cease trade order remains in effect.

No proposed director of the Corporation 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; 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.

Appointment of Auditor

KPMG LLP, Chartered Accountants has been the auditor of the Corporation since November 9, 2012 and was the auditor of APM, the Corporation's predecessor, since December 8, 2009. Management recommends the re-appointment of KPMG LLP. The Shareholders will be asked at the Meeting to vote for the appointment of KPMG LLP as auditor of the Corporation until the next annual meeting of Shareholders of the Corporation, at a remuneration to be fixed by the Board.

It is intended that all proxies received will be voted in favour of the appointment of KPMG LLP as auditor of the Corporation, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the appointment of KPMG LLP as auditor of the Corporation.

Reduction of Stated Capital

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, pass a special resolution authorizing the reduction of the stated capital account of the Common Shares, as contemplated under subsection 38(1) of the *Canada Business Corporations Act* ("**CBCA**"), to $2,160,000 (the "**Reduction of Stated Capital Resolution**")

Reasons for the Reduction of Stated Capital

Under the CBCA, a corporation is prohibited from taking certain actions, including declaring or paying a dividend, if, among other things, there are reasonable grounds for believing that the realizable value of its assets would as a result of such actions be less than the aggregate of its liabilities and stated capital of all classes of its shares (the "**CBCA Requirement**").

The purpose of reducing the stated capital of the Common Shares and the corresponding reduction of the Corporation's accumulated deficit through an offsetting entry is to reduce the Corporation's aggregate liabilities and stated capital so as to increase the difference between such amount and the realizable value of the Corporation's assets, thereby providing additional flexibility under the CBCA Requirement to pay dividends if, as and when declared by the Board of Directors.

The proposed reduction of stated capital will have no impact on the day-to-day operations of the Corporation and will not alter its financial condition.

Limitation on the Reduction of Stated Capital under the CBCA

The CBCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that (i) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due, or (ii) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

The Corporation does not have reasonable grounds to believe that (i) it is, or would after the stated capital reduction contemplated by the Reduction of Stated Capital Resolution be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Corporation's assets would, as a result of the stated capital reduction contemplated by the Reduction of Stated Capital Resolution, be less than the aggregate of its liabilities.

Certain Canadian Federal Income Tax Considerations with Respect to the Reduction of Stated Capital

The following is a summary of the principal Canadian federal income tax considerations related to the proposed reduction of stated capital that are generally applicable to Shareholders. This summary is based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations to the Tax Act, and the current published administrative practices and assessing policies of the Canada Revenue Agency (publicly available prior to the date hereof). This summary also takes into account all proposed amendments to the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and assumes that the Proposed Amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the Canada Revenue Agency, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is not applicable to (i) a Shareholder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules, (ii) a Shareholder an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iii) a Shareholder that is a "specified financial institution" as defined in the Tax Act, or (iv) a Shareholder who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such Shareholder should consult its own tax advisor.

The proposed reduction of the stated capital of the Common Shares will not result in any immediate Canadian income tax consequences to a Shareholder nor will it affect a Shareholder's adjusted cost base ("**ACB**") of the Common Shares for purposes of the Tax Act. However, the reduction in the stated capital will reduce the paid-up capital (as defined in the Tax Act) of the Common Shares ("**PUC**") by an amount equal to the reduction in stated capital. PUC is generally the aggregate of all of the amounts received by the Corporation upon issuance of its shares (by class) adjusted in certain circumstances in accordance with the Tax Act over the total outstanding number of shares of that class. PUC differs from the ACB of shares to any particular Shareholder as ACB is calculated based on the amount paid by a Shareholder to acquire shares of the Corporation, whether on issuance by the Corporation or through the marketplace.

Although the reduction of the stated capital and the corresponding reduction of the PUC of the Common Shares will not have any immediate Canadian income tax consequences, such reduction may have future Canadian federal income tax consequences to a Shareholder in certain limited circumstances, including, but not limited to, if the Corporation repurchases any Common Shares, on a distribution of assets from the Corporation to its Shareholders, or if the Corporation is wound-up.

Reduction of Stated Capital Resolution and Approval Requirement

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the Reduction of Stated Capital Resolution as follows:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. pursuant to the provisions of subsection 38(1) of the *Canada Business Corporations Act*, the stated capital of the Common Shares be reduced (without any payment to Shareholders) to $2,160,000, with the Corporation's deficit being reduced by an amount equal to the amount of such stated capital reduction;

2. any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to do or to cause to be done all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable in order to fulfill the intent of this resolution; and

3. notwithstanding that this resolution has been duly passed by the Shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Shareholders.

It is intended that all proxies received will be voted in favour of the Reduction of Stated Capital Resolution, unless a proxy contains instructions to vote against it. Not less than 66 2/3% of the votes of Shareholders present in person or by proxy are required to approve the Reduction of Stated Capital Resolution.

Annual Approval and Amendment of Incentive Stock Option Plan

Pursuant to the terms of the Arrangement, the Corporation adopted the form of APM's 10% "rolling" incentive stock option plan, *mutatis mutandis* (the "**Plan**").

The rules of the TSX Venture Exchange ("**TSX-V**") provide that a stock option plan must be re-approved by shareholders every year. The Plan, which had been originally approved by the board of directors of APM on October 25, 2002, and amended on June 23, 2011, was approved by the Shareholders annually at the annual and special meetings of Shareholders and most recently at the meeting held on June 14, 2016.

Amendment to the Plan

The Board approved an amendment to the Plan on May 12, 2017, subject to confirmation by Shareholders, to add a limitation in Section 8(e) of the Plan on the number of options that can be granted to insiders in accordance with the policies of the TSX-V Plan (the "**Plan Amendment**"). A copy of the Plan, as amended, is attached as Schedule A.

The Plan Amendment has been accepted by the TSX-V, subject to Shareholder approval.

The Plan

The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. The Plan has been prepared to comply with the policies of the TSX-V.

The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself, a copy of which is attached as Schedule A. In addition, upon request, the Corporation will promptly provide a copy of the Plan free of charge to any Shareholder. To request a copy of the Plan, Shareholders should contact Mike O'Keefe at Morien Resources Corp., Suite 1480, 99 Wyse Road, Dartmouth, Nova Scotia, B3A 4S5, Telephone (902) 466-7255, Fax (902) 423-6432.

The Plan is administered by the Board of Directors of the Corporation, but may be administered by a special committee of directors if one is appointed by the Board of Directors. Directors, officers, consultants, and employees

of the Corporation or its subsidiaries, and employees of any person or company which provides management services to the Corporation or its subsidiaries, are eligible for participation in the Plan.

The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares of the Corporation from time to time. The number of Common Shares subject to an option to a participant shall be determined by the Board of Directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by the TSX-V or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. In particular:

(a) No participant may be granted options to purchase a number of Common Shares equalling more than 5% of the issued Common Shares in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and satisfies applicable TSX-V requirements.

(b) Options shall not be granted if their exercise would result in the issuance of more than 2% of the issued Common Shares in any twelve-month period to any one consultant of the Corporation or any of its subsidiaries.

(c) Options shall not be granted if their exercise would result in the issuance of more than 2% of the issued Common Shares in any twelve-month period to employees of the Corporation or of any of its subsidiaries conducting investor relation activities. Options granted to persons performing investor relations activities are required to contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than one quarter (¼) of the options vesting in any three-month period.

(d) Options shall not be granted if such grant would result in the grant to insiders (as a group) under the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, within a 12-month period, of a number of options exceeding 10% of the outstanding Common Shares, calculated on the date an option is granted to an insider.

The exercise price of the Common Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the price permitted by the TSX-V or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

Subject to any vesting restrictions imposed by the TSX-V, the Board may determine the time during which options vest and the method of vesting, or that no vesting restriction shall exist.

The maximum term of an option is five (5) years, provided that participant's options expire ninety (90) days after his ceasing to act for the Corporation (or thirty (30) days in the case of a participant engaged in investor relations activities), except upon the death of a participant, in which case his estate shall have one (1) year in which to exercise the outstanding options.

No options are transferable or assignable.

Subject to the approval of the TSX-V, the Board of Directors has the discretion to amend or terminate the Plan; provided however, no amendment shall alter the terms of any outstanding options unless Shareholder approval, or disinterested Shareholder approval, as the case may be, is obtained.

Existing Stock Options

As of May 12, 2017, the Corporation had stock options outstanding under the Plan that were exercisable to acquire, in the aggregate, 5,175,000 Common Shares. See "*Securities Authorized for Issuance Under Equity Compensation Plans*" for additional information with regard to the options outstanding as at December 31, 2016.

Approval of the Plan

Policy 4.4 of the TSX-V requires that rolling stock option plans must receive shareholder approval yearly, at the issuer's annual general meeting. In accordance with Policy 4.4, Shareholders will be asked to consider and if thought fit, approve the following ordinary resolution approving, adopting and ratifying the Plan, as amended by the Plan Amendment, as the Corporation's stock option plan:

BE IT RESOLVED as an ordinary resolution of the Shareholders of the Corporation that:

1. the Plan, as amended by the Plan Amendment, in the form attached to the Corporation's management information circular dated May 12, 2017, is hereby ratified, confirmed and approved;

2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders; and

3. any one of the directors or officers of the Corporation is hereby authorized to take all such actions and execute and deliver all such documents as are necessary or desirable for the implementation of this resolution.

The directors of the Corporation believe the Plan, as amended by the Plan Amendment, is in the Corporation's best interests and recommend that the Shareholders approve the Plan, as amended by the Plan Amendment. **It is intended that all proxies received will be voted in favour of approving the Plan, as amended by the Plan Amendment, unless a proxy contains instructions to vote against. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the Plan, as amended by the Plan Amendment.**

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

No person who has been a director or executive officer of the Corporation since January 1, 2016 nor any proposed nominee for election as a director, nor any associate of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in matters to be acted upon at the Meeting other than (i) the election of directors; and (ii) as directors and officers they are eligible to receive grants of options under the Plan.

EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation

The following table sets forth the information required under Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") regarding all compensation paid, payable, awarded, granted, given, or otherwise provided during the two most recently completed financial years of the Corporation to all persons acting as directors or as "**Named Executive Officers**" or "**NEOs**". The following persons are Named Executive Officers (or NEOs) of the Corporation under Form 51-102F6V:

(a) the Corporation's chief executive officer ("**CEO**");

(b) the Corporation's chief financial officer ("**CFO**");

(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and

(d) any additional individuals who would have been an NEO under (c) except that the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the financial year ended December 31, 2016, the Corporation had three NEOs, John P. A. Budreski, Ken W. MacDonald (the CFO prior to July 1, 2016) and Michael O'Keefe (the CFO commencing July 1, 2016).

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
John P.A. Budreski, Director, President and CEO	2016	112,500	Nil	N/A	N/A	N/A	112,500
	2015	112,500	25,000	N/A	N/A	N/A	137,500
Ken W. MacDonald, CFO [(1)(2)]	2016	19,125	Nil	N/A	N/A	105,000[(7)]	124,125
	2015	44,188	11,000	N/A	N/A	N/A	55,188
Michael O'Keefe, CFO [(1) (3)]	2016	75,700	Nil	N/A	N/A	N/A	75,700
	2015	66,150	14,000	N/A	N/A	N/A	80,150
Peter C. Akerley, Director[(4)]	2016	55,250	Nil	7,000	N/A	N/A	62,250
	2015	119,060	25,000	5,000	N/A	N/A	149,060
John P. Byrne, Director	2016	12,000	Nil	7,000	N/A	N/A	19,000
	2015	12,000	Nil	6,000	N/A	N/A	18,000
Charles G. Pitcher, Director	2016	12,000	Nil	7,000	N/A	N/A	19,000
	2015	12,000	Nil	6,000	N/A	N/A	18,000
Philip L. Webster, Director[(5)]	2016	6,000	Nil	4,000	N/A	N/A	10,000
	2015	12,000	Nil	6,000	N/A	N/A	18,000
J. William (Bill) Ritchie, Director[(6)]	2016	12,000	Nil	5,000	N/A	N/A	17,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Mr. O'Keefe was appointed as CFO effective July 1, 2016 and Mr. MacDonald resigned as CFO at that time.

(2) Mr. MacDonald was not an employee of the Corporation. He provided services to the Corporation pursuant to a services agreement ("**Services Agreement**") between the Corporation and Erdene. The amounts disclosed as salary were received by Mr. MacDonald from Erdene and are attributable to Mr. MacDonald's services under the Services Agreement. In 2015 and 2016, Mr. MacDonald devoted approximately 18% of his time to the affairs of the Corporation and $21,038 of the aggregate fee paid by the Corporation to Erdene in 2016 ($48,606 in 2015) is attributable to his services. Mr. MacDonald is Vice President and CFO of Erdene.

(3) Mr. O'Keefe is not an employee of the Corporation. He provides services to the Corporation pursuant to the Services Agreement between the Corporation and Erdene. The amounts disclosed as salary were received by Mr. O'Keefe from Erdene and are attributable to Mr. O'Keefe's services under the Services Agreement. In 2015 and 2016, Mr. O'Keefe devoted approximately 50% and 53%, respectively, of his time to the affairs of the Corporation and $83,270 of the aggregate fee paid by the Corporation to Erdene in 2016 ($72,765 in 2015) is attributable to his services. Mr. O'Keefe is Director of Finance of Erdene.

(4) In 2016, Mr. Akerley devoted approximately 22% of his time to the affairs of the Corporation (50% in 2015), approximately 11% in his role as Chairman (12% in 2015) and approximately 11% pursuant to the Services Agreement with Erdene (38% in 2015). The amounts shown above include the amounts paid to Mr. Akerley for his services as Chairman, being $31,000 in 2016 ($29,000 in 2015), and amounts received by Mr. Akerley from Erdene that are attributable to Mr. Akerley's services under the Services Agreement. $34,375 of the aggregate fee paid by the Corporation to Erdene in 2016 ($107,560 in 2015) attributable to Mr. Akerley's services pursuant to the Services Agreement. Mr. Akerley is President and CEO of Erdene.

(5) Mr. Webster ceased to be a director at the close of the meeting of Shareholders held on June 14, 2016.

(6) Mr. Ritchie was appointed as a director on January 26, 2016.

(7) Represents the severance amount paid when Mr. MacDonald ceased to be CFO of the Corporation.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO by the Corporation in the financial year ended December 31, 2016.

Compensation Securities [1]							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class[1]**	**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**
John P.A. Budreski[2] Director, President and CEO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ken W. MacDonald[3] CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael O'Keefe[4] CFO	Options	100,000 0.19%	June 29, 2016	$0.31	$0.28	$0.40	June 29, 2021
Peter C. Akerley[5] Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John P. Byrne[6] Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Charles G. Pitcher[7] Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Philip L. Webster[8] Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
J. William (Bill) Ritchie[9], Director	Options	125,000 0.24%	January 26, 2016	$0.22	$0.22	$0.40	January 26, 2021

Notes:

(1) The Corporation provides its directors with stock options pursuant to the Plan, with a target of 0.5% of the Corporation's outstanding Common Shares for each of the non-management directors and 1% of the Corporation's outstanding Common Shares for the chairman. Each option is exercisable for one Common Share. The percentage of class represents the percentage of all outstanding options under the Plan. All options are now vested.

(2) Pursuant to the terms of his employment agreement, the Corporation agreed to grant Mr. Budreski options from time to time such that he will be granted options entitling him to acquire 4% of the number of outstanding Common Shares. If the Corporation issues additional Common Shares, Mr. Budreski will be issued additional options at the rate of 4% of the new Common Shares issued (or more than 4% if the initial 4% number was not achieved). On December 31, 2016, Mr. Budreski held a total of 2,250,000 stock options issued under the Plan.

(3) On December 31, 2016, Mr. MacDonald held a total of 287,500 stock options issued under the Plan.

(4) On December 31, 2016, Mr. O'Keefe held a total of 300,000 stock options issued under the Plan.

(5) On December 31, 2016, Mr. Akerley held a total of 530,000 stock options issued under the Plan.

(6) On December 31, 2016, Mr. Byrne held a total of 225,000 stock options issued under the Plan.

(7) On December 31, 2016, Mr. Pitcher held a total of 300,000 stock options issued under the Plan.

(8) On December 31, 2016, Mr. Webster held a total of 225,000 stock options issued under the Plan.

(9) On December 31, 2016, Mr. Ritchie held a total of 125,000 stock options issued under the Plan.

Stock Option Plans and Other Incentive Plans

The Plan is the sole equity compensation plan adopted by the Corporation. For a description of the Plan, see "*Business to be Transacted at the Meeting – Annual Approval and Amendment of Incentive Stock Option Plan*".

Employment, Consulting and Management Agreements

Mr. Budreski is paid for services to the Corporation as President and CEO through an employment agreement effective as of November 9, 2012. The agreement's provisions with respect to change of control, severance and termination are as follows:

(a) if his employment is terminated by the Corporation without cause, he will receive an amount equal to his then current annual base salary and the Corporation shall continue his group insurance benefits, if any, for 6 months after the date of termination;

(b) in the event of a change of control of the Corporation, Mr. Budreski may terminate his agreement with the Corporation at any time after ninety days and within one hundred eighty days of the date on which there is a change of control (by providing one month's written notice). If he does so, the Corporation is required to pay an amount equal to his then current annual base salary and continue his group insurance benefits, if any, for 6 months after the date of termination;

(c) if his employment is terminated by the Corporation as a result of death or disability, he shall receive an amount equal to his then current annual base salary; and

(d) if his employment is terminated for cause, the Corporation is required to pay his then-current salary accrued pursuant to his employment agreement.

If Mr. Budreski's employment had been terminated effective December 31, 2016, the Corporation estimates that the incremental payment payable to Mr. Budreski would be $112,500.

Pursuant to a Services Agreement, between Erdene and the Corporation, Erdene provides management, administration, financial and regulatory updating services for the Corporation for an average monthly fee of $23,151 from January 1, 2016 to December 31, 2016. The Services Agreement allows for adjustments in the nature and extent of services provided. In 2016, Mr. O'Keefe devoted approximately 53% of his time to the affairs of the Corporation and $83,270 of the aggregate fee paid by the Corporation to Erdene is attributable to his services. In 2016, until July 1, 2016, Mr. McDonald devoted approximately 18.3% of his time to the affairs of the Corporation and $21,038 of the aggregate fee paid by the Corporation to Erdene is attributable to his services. Mr. MacDonald entered into a consulting agreement with the Corporation on July 1, 2016, and he received no compensation pursuant to that agreement during 2016. Mr. O'Keefe is Director of Finance of Erdene and Mr MacDonald is Vice President and CFO of Erdene.

Erdene may terminate the Services Agreement on six months written notice to the Corporation. Erdene may also terminate the availability of any of its personnel to assist in providing services when Erdene requires the full-time services of that person, on six months written notice to the Corporation. Erdene may also terminate the availability of any of its personnel where Erdene no longer requires the services of that individual, in which case the Corporation has the option to elect to hire such individual (and assume all of Erdene's contractual, common law and statutory obligations with respect to that individual's employment) or to pay Erdene an amount equal to its proportionate share of that individual's severance amount paid by Erdene.

The Corporation may terminate the Services Agreement on written notice to Erdene provided that the Corporation shall be liable to pay Erdene an amount equal to the severance amount or one month's salary for each year employed or six months' salary, whichever is greater, for each of Erdene employee's providing services to the Corporation proportionate to the percentage of time that such individual is devoting to services to the Corporation. In addition, if the Corporation terminates the Services Agreement, it is liable to pay Erdene that portion of the monthly fee attributable to office space provided to the Corporation until the end of Erdene's then current lease term. The Corporation may also terminate the need for any particular individual assisting in providing services on written

notice to Erdene provided the Corporation pays Erdene an amount to compensate for its pro rata share of severance obligations.

Either Erdene or the Corporation may terminate the Services Agreement in other named circumstances, including in certain events of insolvency and if there is a violation of the confidentiality and non-use obligations set forth in the agreement.

Erdene has the following relationships with the directors and NEOs of the Corporation: Mr. Akerley is the President and CEO of Erdene, Mr. MacDonald is the Vice President and CFO of Erdene, Michael O'Keefe is the Director of Finance of Erdene, and Mr. Byrne is a director of Erdene.

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation's Board of Directors is responsible for the oversight of the Corporation's strategy, policies and programs for the compensation and development of senior officers and directors.

Named Executive Officer Compensation

The general objectives of the Corporation's compensation strategy are:

(a) to compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term Shareholder value;

(b) to align management's interests with the long term interests of Shareholders;

(c) to provide a compensation package that is commensurate with other comparable mineral exploration companies to enable the Corporation to attract and retain talent; and

(d) to ensure that the total compensation package is defined in a manner that takes into account the Corporation's present stage of development and its available financial resources.

The Corporation's executive compensation program is comprised of three components: (i) base salary, (ii) a stock option plan, and (iii) benefits. These elements apply only to Mr. Budreski since the only other current NEO of the Corporation, Mr. O'Keefe, is compensated pursuant to the terms of the Services Agreement with Erdene.

Base Salary

The base salary review of any NEO takes into consideration the historical payment practices of the Corporation, the current competitive market conditions and the experience, proven or expected performance and skills particular to the executive. Base salary is not evaluated against a formal "peer group". The fixed base salary of any NEO, combined with the granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size and engaged in similar business in comparable regions.

Stock Options

The strategic use of incentive stock options is a cornerstone of the Corporation's compensation plan. The purpose of the Plan is to advance the interests of the Corporation and its affiliates by encouraging the directors, officers, consultants and those employees of Erdene who provide services to the Corporation to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, rewarding significant performance achievements and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of their affairs.

Historically, incentive stock options have been awarded to executives, including the NEOs, at the commencement of employment (or when they begin to provide services) and periodically thereafter. At the time of commencement of employment, option-based awards generally reflect industry comparables with companies at similar levels of development.

Options are granted to reward NEOs for their current performance, expected future performance and value to the Corporation. All grants of stock options to the NEOs are reviewed and approved by the Board of Directors. The process is initiated by management recommending a grant of option-based awards to the Board of Directors. In evaluating option grants to the NEOs, the Board of Directors evaluate a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO and the other executives of the Corporation, in light of their responsibilities and objectives; and (iii) the value of the options as a component in the NEO's overall compensation package. One of the NEOs is a director of the Corporation and, as such, he declares his interest in any resolution involving the grant of options to him and refrains from voting thereon.

Benefits

The CEO of the Corporation is entitled to participate in a corporate benefits program, including medical, dental, disability and life insurance in line with organizations of similar size.

Director Compensation

The Corporation pays its non-management board members an annual lump sum of $12,000 and meeting fees of $1,000 per meeting, provided that if a committee meets following a board meeting or if there are back-to-back committee meetings, a director will be paid for one meeting only. The chairman's compensation is $24,000 per annum plus $1,000 per meeting.

In addition, the Corporation provides its directors with stock options pursuant to the Plan, with a target of 0.5% of the Corporation's outstanding Common Shares for each of the non-management directors and 1% of the Corporation's outstanding Common Shares for the chairman. Directors are entitled to be reimbursed for travel and other out-of-pocket expenses incurred for attendance at directors' meetings but are not compensated for travel time in connection with attendance at the board meetings.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Plan is the sole equity compensation plan adopted by the Corporation. The following table sets out information as of December 31, 2016 with regard to outstanding options authorized for issuance into Common Shares under the Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	**Weighted-average exercise price of outstanding options, warrants and rights (Cdn)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Stock Option Plan (approved by Shareholders)	5,202,500	$0.27	96,161[(1)]
Total:	5,202,500	$0.27	96,161

Notes:

(1) This number equals 10% of the total issued and outstanding Common Shares on December 31, 2016 (which was 52,986,614) less the number of Common Shares reported under Column (a) above.

For a description of the Plan, see "*Business to be Transacted at the Meeting – Annual Approval and Amendment of Incentive Stock Option Plan*".

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current or former directors, executive officers or employees of the Corporation or any of its subsidiaries or proposed directors, or associates or affiliates of any of these persons, have been indebted to the Corporation or its subsidiaries, or indebted to another entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, at any

time since January 1, 2016, being the beginning of the Corporation's last completed financial year, other than "Routine Indebtedness" as that term is defined in applicable securities laws.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors, executive officers or principal shareholders of the Corporation, or associates or affiliates of any of these persons, had any material interest, direct or indirect, in any transaction since January 1, 2016, being the beginning of the Corporation's last financial year, or in any proposed transaction which, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were, to any substantial degree, performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation, except for services provided by Erdene. The Corporation shares office space, management and administrative supplies and services with Erdene. In return, the Corporation pays Erdene a flat monthly fee to reimburse Erdene for the Corporation's share of these services and supplies. On November 9, 2012, the Corporation entered into an employment agreement with its President and CEO and entered into the Services Agreement. See "*Executive Compensation – Employment, Consulting and Management Agreements*".

CORPORATE GOVERNANCE

The Board endorses the efforts of the securities commissions or similar regulatory authorities across Canada in continuing the evolution of good corporate governance practices. The Board is committed to adhering to the highest standards in all aspects of its activities.

The corporate governance practices described below are subject to change as the Corporation evolves. Some of its practices are representative of its junior size; however, the Corporation has undertaken to periodically monitor and refine such practices as the size and scope of its operations increase. The Board shall remain sensitive to corporate governance issues and shall continuously seek to set up the necessary measures, control mechanisms and structures to ensure an effective discharge of its responsibilities without creating additional undue overhead costs and reducing the return on shareholders' equity.

Board of Directors

The Board is currently comprised of five (5) directors, three (3) of whom are "independent" within the meaning of National Instrument 52-110, *Audit Committees* ("**NI 52-110**"). Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the corporation's board of directors, be reasonably expected to interfere with the exercise of the directors' independent judgment. In addition, certain individuals, by definition, are deemed to have a "material relationship" with the Corporation and therefore are deemed not to be independent.

John P. Byrne, Charles G. Pitcher and William (Bill) Ritchie are considered independent of the Corporation. John P.A. Budreski is not considered independent as he is the President and CEO of the Corporation. Peter C. Akerley is not considered independent as he is the President and CEO of Erdene, a company that provides services to the Corporation pursuant to the Services Agreement. See "*Executive Compensation – Employment, Consulting and Management Agreements"*

The Board of Directors meets at least once each calendar quarter and following the annual meeting of Shareholders. Between the scheduled meetings, the Board of Directors meets as required. The frequency of the meetings and the nature of the meeting agendas are dependent on the nature of the business and affairs which the Corporation faces from time to time. The independent directors are given the opportunity to meet separately at the end of each meeting of the Board of Directors, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Having considered the current size of the Board of Directors, the majority of independent directors on the Board of Directors and the experience of the independent directors with

other reporting issuers, the Board of Directors believes that separate meetings of the independent directors provide sufficient leadership for the independent directors.

Directorships

The following current directors of the Corporation are presently serving as directors of other reporting issuers:

Director	Name of Other Reporting Issuer
Peter C. Akerley	Erdene Resource Development Corp. (TSX)
John P.A. Budreski	Alaris Royalty Corp. (TSX) Colossus Minerals Inc. (TSX) EnWave Corporation (TSX-V) Input Capital Corp. (TSX-V) Sandstorm Gold Ltd. (TSX)
John P. Byrne	Erdene Resource Development Corp. (TSX)

There were an aggregate of 3 formal Board meetings during the year ended December 31, 2016. The attendance record of each director at such meetings is as follows:

Director	Number of Meetings Attended
Peter C. Akerley	3/3
John P.A. Budreski	3/3
John P. Byrne	3/3
Charles G. Pitcher	3/3
J. William (Bill) Ritchie	3/3

In addition, there were informal meeting of the Board of Directors held from time to time, including after each meeting of the audit committee. Also, certain of the decisions of the Board of Directors since January 1, 2016, were passed by way of written consent following informal discussions among the directors and management.

Board Mandate

The Board of Directors is responsible for the stewardship of the Corporation through the supervision of the business and management of the Corporation. This mandate is accomplished directly via meeting of the Board itself and also through the Corporation's Audit Committee.

The Board of Directors remains committed to ensuring the long-term viability and profitability of the Corporation, as well as the well-being of its employees and of the communities in which it operates. The strategic planning and business objectives developed by management are submitted to and reviewed by the full Board of Directors, both on a formal annual basis and on an on-going basis through regular interim reports from management. The Board of Directors also works with management to identify principal risks, to select and assess senior management and to review significant operational and financial matters. The Board of Directors reviews and approves the annual audited financial statements, the annual report, the annual budget and changes thereto, the interim management proxy information circulars, material press releases, annual management discussion and analysis, decisions as to material acquisitions not within the budget and the grant of stock options. The Board of Directors does not have a written mandate.

Position Descriptions

The Board of Directors has an Audit Committee as noted above. The position description for the chair of the audit Committee is contained in the charter for the committee. Among other things, the chair of the Audit Committee is required to ensure that the committee meets regularly and performs its duties as set forth in the charter, and reports to the Board of Directors on the activities of the committee.

The Board has not developed a written position description for the chairman of the Board of Directors or the CEO. Given the relatively small size of the Corporation, the Board of Directors believes that the role and responsibilities of the CEO are adequately described in his employment agreement as supplemented by communications at board meetings and in other communications between the Board of Directors and Mr. Budreski, the Corporation's CEO.

Orientation and Continuing Education

Given the size of the Board of Directors, there is no formal program for the orientation and education of new recruits to the Board of Directors. The Corporation does, however, ensure that all new directors receive a complete package with background as to the Corporation's business and outlining the securities law obligations and restrictions on members of the Board of Directors and the Corporation.

Continuing education helps Directors keep up to date on changing governance issues and requirements and legislation or regulations in their field of experience. The Board of Directors recognizes the importance of ongoing education for the Board of Directors and the need for each director to take personal responsibility for this process. To facilitate ongoing education, the Board of Directors may from time to time, as required:

- request that directors determine their training and education needs;
- arrange visits to the Corporation's projects or operations;
- arrange funding for the attendance by directors at seminars or conferences of interest and relevant to their position; and
- encourage participation or facilitate presentations by members of management or outside experts on matters of particular importance or emerging significance.

In 2008 and 2009, John P. Byrne (a member of the Audit Committee) participated in the Institute of Corporate Directors course at the Rotman School of Business at the University of Toronto and received the ICD.D designation.

In December, 2012, Peter C. Akerley participated in the Institute of Corporate Directors Audit Committee Effectiveness course.

Ethical Business Conduct

In November 2012, the Board of Directors adopted a formal Code of Business Conduct and Ethics ("**Code**") and expects each of its directors, officers and employees to adhere to the standards set forth in the Code, which was designed to deter wrongdoing and to promote (i) honest and ethical conduct, (ii) confidentiality of corporate information, (iii) avoidance of conflicts of interest, (iv) protection and proper use of corporate assets, (v) compliance with applicable governmental laws, rules and regulations, (vi) prompt internal reporting to appropriate persons of violations of the Code, (vii) accountability for adherence to the Code, and (viii) the Corporation's culture of honesty and accountability.

The Board of Directors does not intend to monitor compliance with the Code; however, a copy of the Code is provided to each director, officer and employee, and to employees of Erdene providing services to the Corporation, and such person is required to sign an acknowledgement form under which they agree to adhere to the standards set forth in the Code. A copy of the Code is available on SEDAR at www.sedar.com. The Code specifically addresses, among other things, conflicts of interest, confidentiality, compliance with laws, the reporting of unethical behaviour and the reporting of accounting irregularities. Any submission received by the Audit Committee pursuant to the provisions of the Code must be reviewed by the Audit Committee. The Audit Committee will then determine whether an investigation is appropriate. The Committee and/or management will promptly investigate such submission and record the results in writing. All submissions must be treated confidentially to every extent possible, and the Audit Committee and any outside counsel must not reveal the identity of any person who makes the submission and asks that his or her identity remain confidential. The Code specifically provides that any submission may be made without fear of dismissal, disciplinary action or retaliation of any kind.

The Board of Directors believes that the Corporation's size also facilitates informal review of and discussions with its officers and those employees of Erdene providing services to the Corporation to promote ethical business conduct and to monitor compliance with the Code.

In addition, the Corporation's Insider Trading Policy requires that all officers and directors of the Corporation, and members of their families who reside with them, pre-clear any trades in the Corporation's securities.

Certain of the Corporation's directors serve as directors or officers of other reporting issuers or have significant shareholdings in other companies. To the extent that such other companies may participate in business ventures in which the Corporation may participate, the directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. In addition, any director or officer who may have an interest in a transaction or agreement with the Corporation is required to disclose such interest and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

Nomination of Directors

The Board has not appointed a nominating committee and does not have a formal process for identifying new candidates for Board nomination. When required, the Board will collaborate with management to identify potential candidates and to consider their appropriateness for membership on the Board.

Compensation

Remuneration of the executive officers and the directors of the Corporation is determined by the Board, following recommendations of the Governance Committee. The Board also administers the Corporation's Plan, including any option grants to the directors and officers. In determining these salaries, compensation and option grants, the Board conducts an informal survey of comparable data in the mining industry, taking into account the size as well as the level of activity of the Corporation.

Audit Committee

Information concerning the Corporation's Audit Committee is provided in the Corporation's annual information form ("**AIF**") for the year ended December 31, 2016, under the section entitled "Audit Committee". A copy of the AIF may be obtained from the Corporation's public disclosure found on the SEDAR website at www.sedar.com. In addition, upon request, the Corporation will promptly provide a copy of the AIF free of charge to any Shareholder. To request a copy of the AIF, Shareholders should contact Mike O'Keefe at Morien Resources Corp., Suite 1480, 99 Wyse Road, Dartmouth, Nova Scotia, B3A 4S5, Telephone (902) 466-7255, Fax (902) 423-6432.

Governance Committee

The Governance Committee is responsible for and oversees all aspects of the Corporation's governance and independence matters. Items that fall within the Governance Committee's oversight include recommendations on management compensation, recommendations for Board appointments, public disclosure, and the creation and deployment of appropriate systems, processes and controls for the proper and efficient functioning of the Corporation.

The Governance Committee presently consists of three directors, Messrs. Byrne, Pitcher and Ritchie, all of whom are independent as that term is defined in NI 52-110.

Assessments

The responsibility for assessing directors on an ongoing basis is assumed in full by the Board and every director is entitled to bring the matter to the Board of Directors. The Board does not perform regular assessments; however, the Board believes that the size of the Corporation facilitates informal discussion and evaluation of the Board, its committees and its members.

PROPOSALS BY SHAREHOLDERS

Pursuant to the CBCA, resolutions intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office not later than February 12, 2018, in order to be included in the management information circular relating to the next annual meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be obtained from the Corporation's public disclosure found on the SEDAR website at www.sedar.com. Financial information is provided in the Corporation's comparative annual financial statements and management discussion & analysis ("**MD&A**") for its most recently completed financial year. The financial statements and MD&A are available on SEDAR at www.sedar.com.

To request copies of the Corporation's financial statements or MD&A, Shareholders may contact Mike O'Keefe at Morien Resources Corp., Suite 1480, 99 Wyse Road, Dartmouth, Nova Scotia, B3A 4S5, Telephone (902) 466-7255, Fax (902) 423-6432.

APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS, as of the 12th day of May, 2017.

(Signed) "John P. A. Budreski"

President and Chief Executive Officer

SCHEDULE A

INCENTIVE STOCK OPTION PLAN

MORIEN RESOURCES CORP.

STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") **of Morien Resources Corp.,** a corporation amalgamated pursuant to a plan of arrangement effected under section 192 of the *Canada Business Corporations Act* (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares The aggregate number of Shares issuable upon the exercise of all options granted under the Plan (and under any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares, including a share purchase from treasury, whether or not financially

assisted by the Corporation by way of a loan, guarantee or otherwise) shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

(a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

(b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

(a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

(b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any one in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to employees of the Corporation (or of any of its subsidiaries) conducting investor relation activities. Options granted to persons performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

(e) Options shall not be granted if such grant would result in the grant to insiders (as defined in the policies of the Exchange) (as a group) under this Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, within a 12-month period, of a number of options exceeding 10% of the outstanding Shares, calculated on the date an option is granted to an insider.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange ("**TSX-V**") the maximum term may not exceed 10 years if the Corporation is classified as a "Tier 1" issuer by the TSX-V, and the maximum term may not exceed 5 years if the Corporation is classified as a "Tier 2" issuer by the TSX-V.

10. Option Period, Consideration and Payment

(a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in it sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Officer, Consultant or Employee

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer,

consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. Death of Participant

In the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

(a) 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; and

(b) if and to the extent that he was entitled to exercise the Option at the date of his death.

13. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Shares optioned and the exercise price per Share, as regards previously granted and unexercised options or portions thereof, and as regards options which may be granted subsequent to any such change in the Corporation's capital.

Upon the liquidation or dissolution of the Corporation or upon a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding common shares of the Corporation to another corporation, the Plan shall terminate, and any options theretofore granted hereunder shall terminate unless provision is made in writing in connection with such transaction for the continuance of the Plan and for the assumption of options theretofore granted, or the substitution for such options of new options covering the shares of a successor employer corporation, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices, in which event the Plan and options theretofore granted shall continue in the manner and upon the terms so provided. If the Plan and unexercised options shall terminate pursuant to the foregoing sentence, the Shares subject to all options granted shall immediately vest and all Participants then entitled to exercise an unexercised portion of options then outstanding shall have the right at such time immediately prior to consummation of the event which results in the termination of the Plan as the Corporation shall designate, to exercise their options to the full extent not theretofore exercised.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

17. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

18. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario.

21. Income Tax Deductions

If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:

(a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance;

(b) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or

(c) make other arrangements acceptable to the Corporation to fund the required tax remittance.