

**EUREKA RESOURCES INC.**  
**1100 – 1111 Melville Street, Vancouver, BC V6E 3V6**  
**Telephone No.: (604) 449-2273 Fax No.: (604) 484-7143**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Take notice** that the annual general meeting (the “**Meeting**”) of Shareholders of **Eureka Resources Inc.** (the “**Company**”) will be held at 1100 – 1111 Melville Street, Vancouver, British Columbia on April 28, 2017 at 10:00 a.m., Pacific Daylight Time, for the following purposes:

1. To receive the financial statements of the Company for its fiscal year ended October 31, 2016, report of the auditor and related management discussion and analysis.
2. To set the number of directors at five.
3. To elect directors of the Company for the ensuing year.
4. To appoint an auditor of the Company for the ensuing year.
5. To ratify and approve the continuation of the 10% rolling number share option plan, as described in the Information Circular prepared for the Meeting.
6. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting.

**Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.**

**DATED** at Vancouver, British Columbia, March 24, 2017.

**BY ORDER OF THE BOARD**

*“Michael Sweatman”*

**Michael Sweatman**  
**President and Chief Executive Officer**

**EUREKA RESOURCES INC.**  
**1100 – 1111 Melville Street, Vancouver, BC V6E 3V6**  
**Telephone No.: (604) 449-2273 Fax No.: (604) 484-7143**

**INFORMATION CIRCULAR**  
as at March 24, 2017 (*except as otherwise indicated*)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Eureka Resources Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on April 28, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “the Company”, “we” and “our” refer to Eureka Resources Inc., “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. Any amounts reported in this Information Circular after October 31, 2016 are unaudited.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers, regular employees of the Company and the Company may retain the services of a proxy solicitation agent to assist in the solicitation of proxies. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (d) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Trust Company of Canada ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (e) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (f) using the internet through Computershare's website at [www.investorvote.com](http://www.investorvote.com) Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOS" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” of the Canadian Securities Administrators which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act*

(*British Columbia*), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Investor Services Inc. or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed March 24, 2017 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company are listed for trading on the TSX Venture Exchange (the "**TSXV**"). As of the Record Date, there were 38,784,472 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares.

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

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. In addition, the resolution to approve the amendment to certain outstanding stock options shall be subject to the approval of the disinterested shareholders of the Company.

## ELECTION OF DIRECTORS

The number of directors was last determined at four, and it is proposed that the size of the board of directors be set at five persons for the ensuing year. Shareholders will be asked to approve an ordinary resolution that the number of directors to be elected be set at five.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "Act"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected until a successor is elected.

The following disclosure sets out the names of management's five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence</b>	<b>Principal Occupation with each Company or Employer</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>Warren Stanyer<sup>(2)</sup></b> Director British Columbia, Canada	President and Chief Executive Officer of Nevada Sunrise Gold Corporation; Executive Chairman, ALX Uranium Corp.	Since June 11, 2015	1,871,500 <sup>(3)</sup>
<b>John R. Kerr<sup>(2)</sup></b> Director British Columbia, Canada	Geologist	Since May 11, 2015	464,333 <sup>(4)</sup>
<b>Kristian Whitehead</b> Director, VP Exploration British Columbia, Canada	President of Infiniti Drilling Corporation, and Vice President, Exploration of the Company.	Since July 4, 2011	874,666 <sup>(5)(8)</sup>
<b>Michael D. Sweatman<sup>(2)</sup></b> Director, President & CEO British Columbia, Canada	President of MDS Management Ltd., a Vancouver-based management consulting Company, President and Chief Executive Officer of the Company.	Since June 11, 2015	2,228,000 <sup>(6)(7)</sup>
<b>Gary Vivian</b> <b>Director Nominee</b>	Geologist, Chairman of Aurora Geosciences	New Nominee	Nil

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.
- (3) Mr. Stanyer holds options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 23, 2020, options to purchase 100,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 27, 2021,

and options to purchase 100,000 Common Shares at a price of \$0.13 per Common Share, exercisable until January 16, 2022. Mr. Stanyer also holds share purchase warrants for 50,000 Common Shares at a price of \$0.125 per Common Share, exercisable until April 29, 2018, share purchase warrants for 125,000 Common Shares at a price of \$0.15 per Common Share, exercisable until October 20, 2018, and share purchase warrants for 100,000 Common Shares at a price of \$0.15 per Common Share, exercisable until October 26, 2018.

- (4) Mr. Kerr holds options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 23, 2020, options to purchase 100,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 27, 2021, and options to purchase 100,000 Common Shares at a price of \$0.13 per Common Share, exercisable until January 16, 2022.
- (5) Mr. Whitehead holds options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 23, 2020, options to purchase 100,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 27, 2021, and options to purchase 100,000 Common Shares at a price of \$0.13 per Common Share, exercisable until January 16, 2022. Mr. Whitehead also holds share purchase warrants for the purchase of 50,000 Common Shares at an exercise price of \$0.12 per Common Share, exercisable until October 1, 2017, share purchase warrants for the purchase of 66,666 Common Shares at an exercise price of \$0.125 per Common Share, exercisable until April 29, 2018, share purchase warrants for the purchase of 250,000 Common Shares at an exercise price of \$0.15 and exercisable until October 26, 2018, and share purchase warrants for the purchase of 50,000 Common Shares at an exercise price of \$0.15, exercisable until December 30, 2018.
- (6) Mr. Sweatman holds options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 23, 2020, options to purchase 100,000 Common Shares at a price of \$0.10 per Common Share, exercisable until June 27, 2021, and options to purchase 100,000 Common Shares at a price of \$0.13 per Common Share, exercisable until January 16, 2022. Mr. Sweatman also holds share purchase warrants for the purchase of 112,500 Common Shares at an exercise price of \$0.12 per Common Share, exercisable until October 1, 2017, share purchase warrants for the purchase of 300,000 Common Shares at an exercise price of \$0.125 per Common Share until June 10, 2020, share purchase warrants for the purchase of 50,000 Common Shares at an exercise price of \$0.20 per Common Share, exercisable until September 8, 2018, share purchase warrants for the purchase of 250,000 Common Shares at an exercise price of \$0.15 per Common Share, exercisable until October 20, 2018, and share purchase warrants for the purchase of 25,000 Common Shares at an exercise price of \$0.15 per Common Share, exercisable until December 30, 2018.
- (7) Mr. Sweatman holds 210,000 Common Shares through his company, MDS Management Ltd.
- (8) Mr. Whitehead holds 500,000 Common Shares through his company, Infiniti Drilling Corporation.

## **Occupation, Business or Employment of Director Nominees**

### *Warren Stanyer, Director*

Mr. Stanyer is a mineral exploration industry executive with over 20 years of experience in Canadian public company administration, as well as assisting in the planning and execution of exploration programs. Mr. Stanyer gained experience in the integration of modern exploration techniques to search for mineral deposits, especially in certain base metals, gold and uranium camps of northern Canada. He previously served as an officer with Pioneer Metals Corporation, a public gold and base metals exploration company, which was acquired by Barrick Gold Corporation in 2006, and until 2007 with UEX Corporation, a public uranium exploration company. From June 2008 to November 2009, Mr. Stanyer acted as President, CEO and a director of Northern Continental Resources Inc. until its acquisition by Hathor Exploration Ltd. In December 2010 he was appointed Chairman and COO, and from September 2011 until December 2012 served as director, President and CEO of Guyana Frontier Mining Corp. From October 2010, until December 2013, he acted as a director of Alpha Minerals Inc. until its acquisition by Fission Uranium Corp. Mr. Stanyer currently serves as a director of the Company, as a director of ALX Uranium Corp., and as a director, CEO and President of Nevada Sunrise Gold Corporation.

### *John R. Kerr, Director*

Mr. Kerr holds bachelor degrees in applied science and geological engineering from the University of British Columbia. Over the course of a 30+ year career he has been continuously engaged in mineral exploration and has extensive field experience throughout North America. Mr. Kerr has been a geological consulting engineer since 1970 and has held senior positions with a number of public companies, both as an officer and director. He has been involved with the discovery of a number of significant mineral deposits, including two producing mines and two additional projects currently awaiting production decisions.

*Kristian Whitehead, Director*

Mr. Kristian Whitehead is a graduate of the University of Victoria and has worked as an exploration geologist for several junior gold exploration companies including StrataGold Corporation, Hawthorne Gold Corporation, Chai Cha Na Mining, Hi Ho Silver Resources, Fire River Gold Corporation, Hunter Dickinson Group and Taseko Mines. Over the past ten years, Mr. Whitehead has worked on numerous exploration projects ranging from grassroots to production located in both North and South America. Mr. Whitehead is Vice President, Exploration, of the Company and is the president of Infiniti Drilling Corporation which has provided diamond drilling and geological consulting services to the exploration industry since 2004. Mr. Whitehead brings experience in market reporting, quality control and assurance as well as project implementation, management and advancement.

*Michael D. Sweatman, Director*

Mr. Sweatman is a Chartered Professional Accountant and operates MDS Management Ltd., a Vancouver-based management consulting company, since November 1992. In addition, Mr. Sweatman serves on a number of reporting companies as director or officer and several other companies which are reporting companies listed on the TSX Venture Exchange. He has served as a director and officer of a number of companies over the past 30 years. Mr. Sweatman obtained his CA designation in 1982 and is a member of the CPABC and CPA Yukon. He obtained his Bachelor of Arts degree in Economics and Commerce in 1982 from Simon Fraser University.

*Gary Vivian, Director Nominee*

A geologist with over 40 years of experience in mineral exploration. Mr. Vivian has worked across Canada, in NB, QC, ON, MB, SK, AB, BC, YT, NU and NT. His management skills have been applied to large exploration programs combining drill management, geology and geophysics using an integrated and systematic approach. Through his guidance, AGL has been instrumental in discovering and delineating the Kennady Diamonds Inc. Kelvin and Faraday kimberlites. Mr. Vivian has also been involved in the discovery of Sunrise and Run Lake (VMS), Fishhook Lake and Damoti Lake (Gold). Mr. Vivian serves as Chairman of Aurora Geosciences.

**Cease Trade Orders and Bankruptcies**

Mr. Sweatman was a director of Glenthorne Enterprises Inc. (“**Glenthorne**”) when trading of the securities of Glenthorne was halted on April 15, 2009 by the TSX Venture Exchange pending clarification of the company’s financial affairs. The securities resumed trading on May 28, 2009.

Mr. Sweatman was a director of Mega Precious Metals Inc. (“**Mega**”) From July 1998 until June 2015. In October 2002, trading in the common shares of Mega (then named Treat Systems Inc. (“**Treat**”) was halted by the TSX-V for failure to meet the tier maintenance requirements under the policies of the TSX-V and for having been designated as an inactive issuer for a period in excess of 18 months. In August 2003, the common shares were listed for trading on the NEX board of the TSX-V. In January 2008, Treat completed a “change of business” pursuant to the policies of the TSX-V. Treat’s name was changed to Mega Silver Inc. and the common shares resumed trading on the TSX-V on January 31, 2008.

Except as provided above, no proposed director of the Company is, as of the date of this Information Circular, or has been, within the 10 years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (a) was subject to an order 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 an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants, Suite 1200, 609 Granville Street, Vancouver, British Columbia, will be nominated at the Meeting for re-appointment as auditor of the Company at remuneration to be fixed by the directors.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 “*Audit Committees*” of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The audit committee has a charter. A copy of the audit committee charter is attached hereto as Schedule “B”.

#### **Composition of the Audit Committee**

The current members of the audit committee are Michael D. Sweatman, John R. Kerr, and Warren Stanyer. John R. Kerr is considered an independent member of the audit committee. Michael Sweatman is not considered to be independent, as he is the President and Chief Executive Officer of the Company. Mr. Stanyer is not considered to be independent as he is the President and Chief Executive Officer of Nevada Sunrise Gold Corporation, a company for which Michael D. Sweatman serves on the compensation committee. All members of the audit committee are considered to be financially literate.

#### **Relevant Education and Experience**

For relevant education and experience of the members of the audit committee, please see above heading “*Occupation, Business or Employment of Director Nominees*”.

All members of the audit committee have:

- (a) gained through their experience as directors and officers of publicly listed companies, an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity in accounting issues comparable to issues that the

Company can reasonably expect to arise in the issuer’s financial statements; or experience actively supervising individuals engaged in such activities; and

- (c) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

### **Reliance on Certain Exemptions**

The Company’s auditor, Davidson & Company LLP, has not provided any material non-audit services.

### **Pre-Approval Policies and Procedures**

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s board of directors, and where applicable the audit committee, on a case-by-case basis.

### **External Auditor Service Fees**

Fees incurred with Davidson & Company LLP for audit services in the last two fiscal years are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended October 31, 2015</b>	<b>Fees Paid to Auditor in Year Ended October 31, 2016</b>
Audit Fees <sup>(1)</sup>	\$10,200	\$19,000
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$4,000	\$2,500
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>Total</b>	<b>\$14,200</b>	<b>\$21,500</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning, tax advice, and the Company’s Canadian and US corporate tax returns. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of such company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good

management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management through communication with its Chief Executive Officer. The Board is responsible for establishing performance criteria and compensation for the Chief Executive Officer. In addition, the Board is responsible for the stock option plan including any modifications to the plan and any option grants. The audit committee meets at least annually with the external auditors and Chief Financial Officer to review and approve the financial statements.

The current independent member of the Board is John R. Kerr. Michael D. Sweatman is not independent as he is the President and Chief Executive Officer of the Company. Kristian Whitehead is not independent as he is Vice President, Exploration of the Company. Warren Stanyer is not independent as he is the President and Chief Executive Officer of Nevada Sunrise Gold Corporation, a company for which Michael D. Sweatman serves on the compensation committee.

### **Directorships**

The directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange Listed</b>
Warren Stanyer	ALX Uranium Corp.	TSXV
	Nevada Sunrise Gold Corporation	TSXV
John R. Kerr	Canyon Copper Corp.	TSXV
	Bravada Gold Corporation	TSXV
	Quaterra Resources Inc.	TSXV
	Alchemist Minerals Inc.	CSE
Michael D. Sweatman	Marafil Mines Limited	TSXV
	Nevada Sunrise Gold Corporation	TSXV
	Red Hut Metals Inc.	TSXV

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business. The Company has not taken any additional measures to provide continuing education for directors.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have

been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

### **Compensation**

The Company has a compensation committee currently consisting of Michael D. Sweatman, Warren Stanyer and John R. Kerr. The compensation committee determines compensation for the directors and the Chief Executive Officer. The Company's Chief Executive Officer, Michael D. Sweatman, does not participate in decisions regarding his own compensation. A new compensation committee will be determined after the Meeting.

### **Other Board Committees**

The Board has no other committees other than the audit committee and the compensation committee.

### **Assessments**

The Board is relatively small and direct communication between directors and officers is encouraged. The Board has not taken any additional measures to assess the effectiveness of the Board.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officer**

In this section, "Named Executive Officer" ("NEO") means each of the following individuals:

- (a) a Chief Executive Officer ("CEO");
- (b) a Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at October 31, 2016.

Michael Sweatman, President and CEO, and Brent Petterson, CFO, are each an NEO of the Company for the purposes of the following disclosure.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended October 31, 2016.

## **Compensation and Discussion Analysis**

The compensation committee does not have a formal process for reviewing compensation of the directors and senior officers, and reviews of compensation are conducted on a periodic basis.

The compensation committee deals with executive compensation matters. The compensation committee regularly considers the implications of the risks associated with the Company's compensation program and how it might mitigate those risks. The Company does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on the Company.

The Company did not retain any compensation consultants during the financial year ended October 31, 2016.

The Company's compensation programs are designed to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The philosophy of the Board and the compensation committee is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

The compensation committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the compensation committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

## **Report on Executive Compensation**

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The compensation committee determines the type and amount of compensation for the President and CEO. The compensation committee also reviews the compensation of the Company's senior executives.

## **Philosophy and Objectives**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company employs a combination of salary and equity participation through its share option plan.

## **Elements of the Compensation Program for the Fiscal Year 2016**

The significant elements of compensation awarded during the financial year ended October 31, 2016 to the NEOs was paid in cash. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The compensation committee reviews periodically the total compensation package of each of the Company's executive officers on an individual basis, and makes recommendations for the individual components of its compensation.

## **Actions, Decisions or Policies made after October 31, 2016**

No material actions, decisions or policies were made after October 31, 2016.

### **Cash Salary**

As a general rule, the Company seeks to offer its NEOs a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

### **Equity Participation**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options that vest on terms established by the Board are generally granted to senior executives of the Company.

### **Option-Based Awards**

The Company has in place a share option plan dated for reference March 11, 2008, as amended December 3, 2014 (the "**Plan**"). The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than five years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. There are currently options outstanding to purchase an aggregate of 3,250,000 Common Shares.

The Plan is also intended to emphasize management's commitment to the growth of the Company and the enhancements of shareholders' equity through, for example, improvements in its resource base and share price increments.

The Company relies on discussions of the Board without any formal objectives in granting options, other than management's consideration of the NEO's duties and responsibilities, the NEO's execution of such duties, and the impact of stock options on the total compensation package as envisioned by the Board for each of the NEOs. In view of the current situation wherein the Company is not in a position to pay cash salaries commensurate with the NEO's positions in comparison with industry standards, the Board generally relies on stock options to design an equitable compensation package.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

At least annually, the Board reviews the grant of stock options to management and employees. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Plan. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is set in accordance with the policies of the TSXV.

### Perquisites and Other Personal Benefits

The Company's NEOs are not generally entitled to significant perquisites or other personal benefits not offered other employees to the Company.

### SUMMARY COMPENSATION TABLE

The compensation paid to the NEO's during the Company's three most recently completed financial years ended October 31, 2016, 2015, and 2014 is as set out below and is expressed in Canadian dollars. Option-based awards are expressed in Canadian dollars.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (\$) <sup>(2)</sup>	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Michael D. Sweatman President & CEO <sup>(3)</sup>	2016	32,000 <sup>(9)</sup>	Nil	9,000	Nil	Nil	Nil	Nil	41,000
	2015	14,000 <sup>(9)</sup>	Nil	16,000	Nil	Nil	Nil	Nil	30,000
Brent Petterson CFO <sup>(4)</sup>	2016	28,000 <sup>(7)</sup>	Nil	9,000	Nil	Nil	Nil	Nil	37,000
	2015	6,000 <sup>(7)</sup>	Nil	16,000	Nil	Nil	Nil	Nil	22,000
John J. O'Neill Former President <sup>(5)</sup>	2015	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Sheryl A. Jones Former CFO <sup>(6)</sup>	2015	Nil	N/A	Nil	N/A	N/A	N/A	8,775 <sup>(8)</sup>	8,775
	2014	Nil	N/A	Nil	N/A	N/A	N/A	15,034 <sup>(8)</sup>	15,034

Notes:

- (1) The value is based on the calculated fair value on the dates of grant of June 23, 2015 and June 27, 2016. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rates of 1.50% and 1.38%, Expected life of options five years and annualized volatility of 195% and 171%.
- (2) The Company has no pension plans for its directors, officers or employees.
- (3) Michael Sweatman was appointed President and CEO on June 11, 2015.
- (4) Brent Petterson was appointed CFO on June 11, 2015.
- (5) John J. O'Neill resigned as President on June 11, 2015.
- (6) Sheryl A. Jones resigned as CFO on June 11, 2015.
- (7) These funds were paid to MBP Management Ltd., a company controlled by Mr. Petterson.
- (8) The compensation shown for Sheryl A. Jones includes all amounts paid to a management company of which she is an employee that provides accounting and related services to the Company.
- (9) These funds were paid to MDS Management Ltd., a company controlled by Mr. Sweatman.

## INCENTIVE PLAN AWARDS

### Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the NEOs of the Company. The following table sets out all option-based awards outstanding as at October 31, 2016, for each NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options (\$)
Michael D. Sweatman <sup>(3)</sup>	200,000 <sup>(1)</sup>	0.10	June 23, 2020	4,000
	100,000 <sup>(2)</sup>	0.10	June 27, 2021	2,000
Brent Petterson <sup>(3)</sup>	200,000 <sup>(1)</sup>	0.10	June 23, 2020	4,000
	100,000 <sup>(2)</sup>	0.10	June 27, 2021	2,000

Notes:

- (1) These options to purchase Common Shares were granted on June 23, 2015.
- (2) These options to purchase Common Shares were granted on June 27, 2016.
- (3) Subsequent to October 31, 2016, on January 16, 2017, Messrs. Sweatman and Petterson were each granted 100,000 options to purchase Common Shares at an exercise price of \$0.13 per common share and exercisable until January 16, 2022.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended October 31, 2016, for each NEO:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael D. Sweatman	9,000	Nil	Nil
Brent Petterson	9,000	Nil	Nil

Notes:

- (1) The value is based on the calculated fair value on the dates of grant of June 27, 2016. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rate of 1.38%, Expected life of options - five years and annualized volatility - 171%.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Neither Michael D. Sweatman nor Brent Petterson has employment agreements or consulting contracts with the Company. From June 2015 to January 2017, Mr. Sweatman and Mr. Petterson received \$45,500 and \$41,500 respectively. Effective February 1, 2017, Mr. Sweatman receives a monthly fee of \$4,000 and Mr. Petterson receives a monthly fee of \$3,000. There are no compensatory plans or arrangements with respect to Michael D. Sweatman or Brent Petterson resulting from a termination or change of control.

## DIRECTOR COMPENSATION

### Director Compensation Table

The compensation provided to the directors, excluding a director who is already set out in disclosure for an NEO for the Company's most recently completed financial year of October 31, 2016 is as set out below:

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Warren Stanyer	12,000	N/A	9,000	Nil	N/A	Nil	21,000
John R. Kerr	10,800	N/A	9,000	Nil	N/A	Nil	19,800
Kristian Whitehead	20,503 <sup>(2)</sup>	N/A	9,000	Nil	N/A	Nil	29,503

Notes:

- (1) The value is based on the calculated fair value on the dates of grant of June 27, 2016. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rate of 1.38%, Expected life of options - five years and annualized volatility - 171%. The Company has no pension plans for its directors, officers or employees.
- (2) This amount was paid to Infiniti Drilling Corporation, a company controlled by Mr. Whitehead.

### Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the directors of the Company. The following table sets out all option-based awards outstanding as at October 31, 2016, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options (\$)
Warren Stanyer <sup>(3)</sup>	200,000 <sup>(1)</sup>	0.10	June 23, 2020	4,000
	100,000 <sup>(2)</sup>	0.10	June 27, 2021	2,000
John R. Kerr <sup>(3)</sup>	200,000 <sup>(1)</sup>	0.10	June 23, 2020	4,000
	100,000 <sup>(2)</sup>	0.10	June 27, 2021	2,000
Kristian Whitehead <sup>(3)</sup>	200,000 <sup>(1)</sup>	0.10	June 23, 2020	4,000
	100,000 <sup>(2)</sup>	0.10	June 27, 2021	2,000

Notes:

- (1) These options to purchase Common Shares were granted on June 23, 2015.
- (2) These options to purchase Common Shares were granted on June 27, 2016.
- (3) Subsequent to October 31, 2016, on January 16, 2017, Messrs. Stanyer, Kerr and Whitehead were each granted 100,000 options to purchase Common Shares at an exercise price of \$0.13 per common share and exercisable until January 16, 2022.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended October 31, 2016, for each director:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Warren Stanyer	9,000	Nil	Nil
John R. Kerr	9,000	Nil	Nil
Kristian Whitehead	9,000	Nil	Nil

Note:

- (1) The value is based on the calculated fair value on the dates of grant of June 27, 2016. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rate of 1.38%, Expected life of options - five years and annualized volatility - 171%.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan the Company has in place is the Plan which was last approved by shareholders of the Company on June 3, 2016. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other proposed share compensation arrangements, if any, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than 5 years after the date of grant of such option. See heading below "*Continuation of Share Option Plan*" for additional disclosure regarding the Plan.

#### Equity Compensation Plan

The following table sets out equity compensation plan information as at the end of the financial year ended October 31, 2016:

Plan Category	Number of securities to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
	(a)	(b)	(c)
Equity compensation plans approved by security holders (the Plan)	2,300,000	\$0.10	1,191,396
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,300,000	\$0.10	1,191,396

Notes:

- (1) Since the year end of October 31, 2016, 950,000 options to purchase Common Shares have been granted, no options to purchase Common Shares have been exercised, and no options to purchase Common Shares have expired. As at the date hereof there are options outstanding to purchase 3,250,000 Common Shares.
- (2) As at the date hereof there are options available for grant to purchase 578,446 Common Shares.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

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

Except as disclosed herein, there are no transactions in which a material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as set out herein or in a document disclosed to the public.

On December 31, 2015, the Company announced that it would offer holders of 4,000,000 warrants, previously issued June 11, 2014 (the "**June Warrants**") an incentive warrant to exercise their warrants early. Each June Warrant is exercisable to purchase one common share at \$0.05 until June 11, 2016 and at \$0.10 from June 12, 2016 until June 11, 2017. The Company issued to each holder of a June Warrant who exercised their June Warrants between January 4, 2016 and January 29, 2016 an incentive warrant (an "**Incentive Warrant**") for each June Warrant exercised. Each Incentive Warrant will entitle the holder to acquire an additional common share at a price of \$0.075 per share for a period expiring June 10, 2016 and thereafter at \$0.125 per share until June 10, 2020. On February 4, 2016, the Company announced that 1,315,000 June Warrants had been exercised, for proceeds of \$67,750. Michael D. Sweatman, Warren Stanyer, and Brent Petterson participated in this transaction.

On April 29, 2016, the Company completed the first tranche of a non-brokered private placement of units (the "**Units**") at a price of \$0.075 per Unit. Each Unit consisted of one Common Share of the Company and one Common Share purchase warrant (a "**Warrant**"). Each whole Warrant entitles the holder to purchase an additional Common Share ("**Warrant Share**") at an exercise price of \$0.125 per Warrant Share until April 29, 2018, subject to an acceleration clause. The Company placed 2,693,666 Units in the first tranche of the private placement. Kristian Whitehead, Brent Petterson, and Warren Stanyer participated in this transaction.

On October 20, 2016, the Company completed the first tranche of a non-brokered private placement of units (the “**Units**”) at a price of \$0.10 per Unit. Each Unit consisted of one Common Share of the Company and one half of one Common Share purchase warrant (each whole warrant a “**Warrant**”). Each whole Warrant entitles the holder to purchase an additional Common Share (“**Warrant Share**”) at an exercise price of \$0.15 per Warrant Share until October 20, 2018, subject to an acceleration clause. The Company placed 1,325,000 Units in the first tranche of the private placement. Michael D. Sweatman, Warren Stanyer and Brent Petterson participated in this transaction.

On October 26, 2016, the Company completed the second and final tranche of a non-brokered private placement of units (the “**Units**”) at a price of \$0.10 per Unit. Each Unit consisted of one Common Share of the Company and one half of one Common Share purchase warrant (each whole warrant a “**Warrant**”). Each whole Warrant entitles the holder to purchase an additional Common Share (“**Warrant Share**”) at an exercise price of \$0.15 per Warrant Share until October 26, 2018, subject to an acceleration clause. The Company placed 2,175,000 Units in the second tranche of the private placement. Kristian Whitehead, Brent Petterson, and Warren Stanyer participated in this transaction.

On December 30, 2016, the Company completed a non-brokered private placement of flow through units (the “**FT Units**”) at a price of \$0.10 per FT Unit. Each FT Unit consisted of one Common Share of the Company and one half of one Common Share purchase warrant (each whole warrant a “**Warrant**”). Each whole Warrant entitles the holder to purchase an additional non-flow through Common Share (“**Warrant Share**”) at an exercise price of \$0.15 per Warrant Share until December 30, 2018, subject to an acceleration clause. The Company placed 707,000 FT Units in the private placement. Kristian Whitehead, Brent Petterson, and Michael D. Sweatman participated in this transaction.

## MANAGEMENT CONTRACTS

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. *Continuation of the Share Option Plan*

#### *(a) Introduction*

The TSXV requires that each company listed on the exchange have a stock option plan if the company intends to grant options to purchase shares in the company. The Company’s 10% rolling share option plan (the “**Plan**”), dated March 11, 2008, as amended December 3, 2014, was implemented in order to comply with TSXV policies, and to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is attached hereto as Schedule “A”.

Under the Plan, a maximum of 10% of the issued and outstanding Common Shares of the Company at the time an option is granted, less Common Shares reserved for issuance outstanding in the Plan, will be reserved for options to be granted at the discretion of Board to eligible optionees. As at the date of the mailing of this Information Circular, there are options outstanding to purchase an aggregate of 3,250,000 Common Shares.

#### *(b) Shareholder Confirmation*

The Company is required to obtain annual approval from the TSXV and approval from the shareholders of the Company by ordinary resolution for the continuation of the Plan at each annual general meeting.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**“RESOLVED THAT** the continuation of the Company’s share option plan dated for reference March 11, 2008, as amended December 3, 2014, be ratified and approved until the next annual general meeting of the Company.”

*(c) Recommendation of the Board*

The Board has concluded that the continuation of the Plan is in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders approve the continuation of the Plan by voting FOR the above resolution at the Meeting.

**Proxies received in favour of management will be voted in favour of the continuation of the Plan, unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.**

**ADDITIONAL INFORMATION**

Financial information is provided in the financial statements for the year ended October 31, 2016, report of the auditor and related management discussion and analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com) and in the subsequent interim financial statements and related management discussion and analyses filed on SEDAR at [www.sedar.com](http://www.sedar.com). The financial statements will be mailed to any shareholder who completes the request card included with the Notice of Meeting and this Information Circular. The October 31, 2016, financial statements will be placed before the Meeting.

Additional information relating to the Company is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and upon request from the Company by contacting Christina Boddy, Corporate Secretary, telephone number: (604) 318-0390 or fax number: (604) 484-7143. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

**OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, March 24, 2017

**BY ORDER OF THE BOARD**

*“Michael D. Sweatman”*

**Michael D. Sweatman  
President and Chief Executive Officer**

**Schedule "A"**

**EUREKA RESOURCES INC.**

**STOCK OPTION PLAN**

**(amended December 3, 2014)**

**1.0 PURPOSE**

The purpose of this Stock Option Plan is to promote the interests of Eureka Resources Inc. (the "Company") by:

- (a) furnishing certain directors, officers, employees and consultants of the Company and its subsidiaries with greater incentive to further develop and promote the business and financial success of the Company;
- (b) furthering the identity of interests of persons to whom Options may be granted with those of the shareholders of the Company generally through share ownership in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants.

The Company believes that these purposes may best be effected by granting Options to Eligible Persons (as defined below).

**2.0 DEFINITIONS AND INTERPRETATION**

**2.1** In this Plan, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Associate" has the meaning ascribed thereto under the Securities Act;
- (b) "Board" means the board of directors of the Company;
- (c) "Company" means Eureka Resources Inc.;
- (d) "Discounted Market Price" with respect to the Shares, means the discounted market value of the Shares as determined in accordance with the applicable policies or rules of the Exchange;
- (e) "Eligible Persons" means directors, officers, employees or consultants of the Company or of any of its subsidiaries or an individual employed by a person

which is providing management services to the Company, as determined in accordance with the applicable policies or rules of the Exchange, and an “Eligible Person” shall have a corresponding meaning;

- (f) “Exchange” means the TSX Venture Exchange or such other stock exchange or organized market on which the Shares are, from time to time, listed or posted for trading;
- (g) “Exchange Hold Period” as defined in the applicable policies or rules of the Exchange;
- (h) “Exercise Price” means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Section 4.1 hereof;
- (i) “Grant Date” means the date specified in an Option Agreement as the date on which an Option is granted;
- (j) “Market Price”, with respect to the Shares, means the market value of the Shares as determined in accordance with the applicable policies or rules of the Exchange;
- (k) “Insider” means an insider, as such term is defined in the Securities Act, of the Company;
- (l) “Option” means a stock option granted hereunder to purchase Shares from treasury;
- (m) “Option Agreement” means an agreement, substantially in the form attached hereto as Schedule “A”;
- (n) “Option Shares” means the number of Shares which an Optionee may purchase by the exercise of an Option;
- (o) “Optionee” means and Eligible Person who has been granted Options pursuant to the Plan;
- (p) “Plan” means this Stock Option Plan, as the same may from time to time be supplemented or amended and in effect;
- (q) “Securities Act” means the *Securities Act* (British Columbia);
- (r) “Shares” means the common shares without par value in the capital of the Company;

(s) “Subsidiary” has the meaning assigned thereto under the Securities Act.

2.2 Any question arising as to the interpretation of this Plan or of any Option granted hereunder will be determined by the Board and such determination will be conclusive and binding on the Company and all Optionees.

### 3.0 **ADMINISTRATION OF THE PLAN**

3.1 The Plan shall be administered by the Board.

3.2 The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan. The interpretation, construction and application of the Plan and any provisions thereof made by the Board shall be final and binding on all holders of Options granted under the Plan and all persons eligible under the provisions of the Plan to participate therein. No members of the Board shall be liable for any action taken or for any determination made in good faith in the administration, interpretation, construction or application of the Plan.

### 4.0 **GRANT OF OPTIONS**

4.1 The Board may from time to time authorize the issue of Options to Eligible Persons, subject to such vesting provisions as the Board in their sole discretion shall determine. The Exchange Hold Period will apply to Options granted to Insiders or granted to any Optionee at any Discounted Market Price. The Exercise Price under each Options shall be as set by the Board, but shall not be less than the Market Price on Grant Date. Any change in the Exercise Price, subject to the approval of the Exchange, may be made by a resolution of the Board if, in the unfettered discretion of the Board, such a change is warranted. In the case of Optionees who are Insiders at the time of the reduction in the Exercise Price, the reduction shall be approved by a majority of disinterested shareholders of the Company. In the case where the Exercise Price is amended, at least six months must have elapsed since the later of the date of the commencement of the term, the date the Issuer’s Shares commenced trading, or the date the Option Exercise Price was last amended. In the case where the Option Exercise Price is amended to the Discounted Market Price, the Exchange Hold Period is applied from the date of the amendment (and for more certainty where the option price is amended to the Market Price, the Exchange Hold Period will not apply). In the case where the length of the Option term is amended, any extension of the length of the term of the Option is treated as a new grant of a new option and the Option must be outstanding for at least one year before the Company can extend its term.

4.2 The Company cannot grant Options unless and until the Options have been allocated to specific Optionees, and then once allocated a minimum exercise price can be established.

4.3 A news release shall be issued at the time of grant for Options granted to Insiders and all persons engaged to provide investor relations activities (as defined by the policies of the Exchange) on behalf of the Company.

4.4 Each Option shall be confirmed by the execution of an Option Agreement in substantially the form attached hereto as Schedule "A". Each Optionee shall have the Option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4.5 All Options granted to consultants of the Company performing investor relations activities must vest in stages over a period of at least 12 months, with no more than ¼ of the Option Shares vesting in any three (3) month period.

4.6 All Options that have been cancelled or that have expired without being exercised shall continue to be issuable under the Plan under which they were approved.

## 5.0 **SHARES SUBJECT TO THE PLAN**

5.1 The maximum number of Shares which may be issuable pursuant to Options granted under the Plan shall be 10% or such additional amount as may be approved from time to time by the shareholders of the Company. The number of Shares issuable to any one Optionee under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis. The number of Shares which may be reserved for issue pursuant to Options granted to Insiders under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, in aggregate, shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis. The number of Shares which may be issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to Insiders in aggregate, shall not exceed 10% of the outstanding issue;
- (b) to any one Optionee who is an Insider, and any Associates of such Insider, shall not exceed 5%, in aggregate, of the outstanding issue in any one twelve-month period;
- (c) to any one consultant to the Company, shall not exceed 2%, in aggregate, of the outstanding issue in any one twelve-month period;
- (d) to all such employees of the Company providing investor relations activities (as defined by the policies of the Exchange) in aggregate shall not exceed 2%, in aggregate, of the outstanding issue in any one twelve-month period; and
- (e) for all Options granted to employees, consultants and management company employees, the Company and the Optionee represent that the Optionee is a bona fide employee, consultant or management company employee, as the case may be.

For the purposes of this section, Shares issued pursuant to an entitlement granted prior to the Optionee becoming an Insider are to be included in determining the number of Shares issuable to Insiders. For the purposes of subsections, (a), (b), (c) and (d) above, “outstanding issue” is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question, including Shares issued pursuant to share compensation arrangements over the preceding one-year period.

## 6.0 CONDITIONS GOVERNING OPTIONS

6.1 Each Option shall be subject to the following conditions:

### 6.1.1 Employment

The granting of an Option to a full-time employee, consultant or director shall not impose upon the Company any obligation to retain the Optionee in its employ.

### 6.1.2 Option Term

The period during which an Option is exercisable shall not, subject to the provisions of this Plan, exceed five years from the Grant Date. In the event that Options are set to expire and are held by individuals subject to a blackout period (as such term is used in the policies of the Exchange) at the expiry date, the expiry date of such Option will be extended for a period not to exceed ten (10) business days after the expiry of such blackout period.

### 6.1.3 Exercise of Options

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the Option Shares and at such time or times as the Board, at the time of granting the particular Option, may determine in its sole discretion.

### 6.1.4 Non-assignability of Option Rights

Each Option granted hereunder is personal to the Optionee and shall not be assignable or transferable by the Optionee, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of a deceased Optionee. No Option granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of.

### 6.1.5 Effect of Termination of Employment or Death

6.1.5.1 Upon an Optionee’s employment with the Company being terminated for cause or upon an Optionee being removed from office as a director, officer or consultant pursuant to an order made by a regulatory authority or becoming disqualified from being a director by law, any Option or the unexercised portion thereof granted to such Optionee shall terminate forthwith.

6.1.5.2 Upon an Optionee’s employment with the Company being terminated (except in the case of transfer from one company to another company contemplated herein) otherwise than

by reason of death, termination for cause or retirement at normal retirement age, or upon an Optionee ceasing to be a director or consultant of the Company other than by reason of death, removal or disqualification by law, or otherwise ceasing to be an Eligible Person, any Option or unexercised part thereof granted to such Optionee may be exercised by him or her for that number of Shares only for which he or she was entitled to acquire under the Option pursuant to paragraph 6.1.3 at the time of such termination or cessation together with such additional Options which may vest with the Optionee during any severance period or salary continuation period, if any to which the Optionee is a party at the time to times at which such additional Options vest. Such Options shall only be exercisable within the period which ends on the earlier of the original Option expiring date and the date which is 90 days after such Optionee ceases to be an Eligible Person.

6.1.5.3 Notwithstanding paragraph 6.1.5.2, any Option or unexercised portion thereof granted to Optionees who are engaged in investor relations activities (as defined by the policies of the Exchange) shall only be exercisable within the period which ends on the earlier of the original Option expiring date and the date which is 30 days after such Optionee ceases to be employed by the Company as an employee or consultant to provide investor relations activities.

6.1.5.4 If an Optionee dies while employed by the Company or while serving as a director or consultant of the Company, any Option or unexercised part thereof granted to such Optionee may be exercised by the person to whom the Option is transferred by will or the laws of descent and distribution of that number of Shares only which he or she was entitled to acquire under the Option pursuant to paragraph 6.1.3 at the time of his or her death. Such Option shall only be exercisable within 180 days after the Optionee's death or prior to the expiration of the term of the Option, whichever occurs earlier.

#### 6.1.6 Rights as a Shareholder

The Options shall not confer upon any Optionee any rights whatsoever as a shareholder in respect of any Option Shares until the date of issuance of a share certificate to such Optionee for such Option Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

#### 6.1.7 Method of Exercise

Subject to the provisions of this Plan, an Option granted under this Plan shall be exercisable (from time to time as provided in paragraph 6.1.3 herein above) by the Optionee giving notice in writing to the Company at its registered office, addressed to its Secretary, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash or certified cheque, of the purchase price for the number of Shares specified. Upon such exercise of the Option, the Company shall forthwith cause the transfer agent and registrar of the Company to deliver to the Optionee a certificate in the name of the Optionee representing in the aggregate such number of Shares as the Optionee shall have then paid for and as are specified in such written notice of exercise of Option. If required by the Board by notification to the Optionee at the time of granting the Option, it shall be a condition of such

exercise that the Optionee shall represent that he or she is purchasing the Shares in respect of which the Option is being exercised for investment only and not with a view to resale or distribution.

#### 6.1.8 Taxes

Notwithstanding any provision in this Plan or in any Option Agreement, the Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option, the Option Shares, the Shares, or other benefit under the Plan or any Option Agreement, including without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of any or all of the Option Shares, until such time as the Optionee has paid the Company any amount which the Company is required to withhold with respect to such taxes. For greater certainty, the Company shall be entitled to withhold and sell any or all of the Option Shares on the Optionee's behalf in order to satisfy the Company's withholding tax liability.

#### 6.1.9 Necessary Approvals

The obligation of the Company to issue and deliver any Shares in accordance with the Plan shall be subject to any necessary approval of the Exchange or any applicable securities regulatory authority. If any Shares cannot be issued to an Optionee for any reason beyond the control of the Company, the obligation of the Company to issue such Shares shall terminate and the amount of any Exercise Price paid to the Company in respect of such Shares shall be returned to such Optionee.

### 7.0 **ADJUSTMENT TO SHARES SUBJECT TO THE OPTION**

7.1 In the event of any subdivision or redivision of the Shares into a greater number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Company shall deliver to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such subdivision or redivision if on the record date thereof the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

7.2 In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Company shall deliver to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

7.3 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in paragraphs 7.1 and 7.2 or, subject to the provisions of paragraph 8.2(a) hereof, the Company shall consolidate, merge or amalgamate with or into another company (the company resulting or continuing from such consolidation, merger or amalgamation being herein called the "Successor Company"), the Optionee shall be entitled to receive upon the subsequent exercise of his Option in accordance with the terms hereof shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Company or the Successor Company (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of paragraph 8.2(a) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, he or she had been the registered holder of the number of Shares to which he was immediately theretofore entitled upon such exercise.

#### 8.0 **AMENDMENT OR DISCONTINUANCE OF THE PLAN**

8.1 Subject in all cases to the approval of the Exchange or any other Stock Exchange on which the Shares may then be listed, the Board may amend or discontinue this Plan at any time, provided, however, that no such amendment may materially and adversely affect any Option rights previously granted to an Optionee under this Plan without the consent of the Optionee, except to the extent required by law.

8.2 Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

- (a) in the event the Company proposes to amalgamate, merge or consolidate with any other company (other than with a wholly-owned subsidiary of the Company) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Company or any part thereof shall be made to all holders of Shares of the Company, the Company shall have the right, upon written notice thereof to each Optionee holding Options under this Plan, to permit the exercise of all such Options within the 30 30 day period next following the date of such notice and to determine that upon the expiration of such 30 day period, all rights of Optionees to such Options or to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have further force or effect whatsoever;
- (b) the Board may, by resolution, advance the date on which any Option may be exercised or, subject to applicable regulatory provisions, extend the expiration date of any Option, in the manner to be set forth in such resolution. The Board shall not, in the event of any such advancement or extension, be under any obligation to

advance or extend the date on or by which any Option may be exercised by any other Optionee; and

- (c) the Board may, by resolution, but subject to applicable regulatory provisions, decide that any of the provisions hereof concerning the effect of termination of the Optionee's employment or cessation of the Optionee's directorship shall not apply for any reason acceptable to the Board.

9.0 **EFFECTIVE DATE AND ANNUAL APPROVAL OF PLAN**

9.1 This Plan was adopted by the Board on March 11, 2008 (and ratified, confirmed and approved by the shareholders of Eureka Resources Inc. on April 25, 2008). Should changes be required in this Plan by the Exchange or any securities commission or governmental body of any province of Canada to which this Plan has been submitted, such changes shall be made in this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, shall remain in full force and effect in its amended form as of and from the date written above.

9.2 This Plan shall be subject to Exchange and shareholder approval annually, such shareholder approval to be obtained at a meeting of shareholders of the Company.

Schedule "A" to Eureka Resources Inc. Stock Option Plan

**EUREKA RESOURCES INC.  
STOCK OPTION PLAN  
OPTION AGREEMENT**

This Option Agreement is entered into between EUREKA RESOURCES INC. (the "Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), and confirms that:

- (a) On \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date");
- (b) \_\_\_\_\_ (the "Optionee");
- (c) was granted the option to purchase \_\_\_\_\_ common shares (the "Option Shares") of the Company;
- (d) for the price (the "Exercise Price") of \$\_\_\_\_\_ per common share;
- (e) which will become exercisable up to, but not after \_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date"), as follows:
  - (i) up to \_\_\_\_\_ Option Shares after \_\_\_\_\_;
  - (ii) up to an additional \_\_\_\_\_ Option Shares after \_\_\_\_\_;
  - (iii) up to an additional \_\_\_\_\_ Option Shares after \_\_\_\_\_; and
  - (iv) the remaining \_\_\_\_\_ Option shares after \_\_\_\_\_.

all on terms and subject to the conditions set out in this Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide [insert one of: **director/officer/employee/consultant**] of the Company.

[or]

The Company and the Optionee represent that the Optionee is a bona fide employee of \_\_\_\_\_ which provides management services to the Company.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX

Venture as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture on the date of this Share Option Commitment.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**EUREKA RESOURCES INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Optionee

## SCHEDULE "B"

### **EUREKA RESOURCES, INC. AUDIT COMMITTEE CHARTER**

#### **A. OVERVIEW AND PURPOSE**

The Audit Committee of Eureka Resources, Inc. ("**Eureka**") has been formed to enable the Board of Directors of Eureka to perform its obligations with respect to compliance with applicable securities laws and the rules of the Exchange.

The Audit Committee is responsible to the Board of Directors of Eureka. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- (a) disclosure of financial and related information;
- (b) the relationship with and expectations of the external auditors of Eureka, including the establishment of the independence of the external auditors;
- (c) the oversight of Eureka's internal controls; and
- (d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of Eureka chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

#### **B. ORGANIZATION**

##### **1. Size and Membership Criteria**

The Audit Committee will consist of three or more Directors of Eureka.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding Shares of Eureka or other securities which are exchangeable into Shares of Eureka, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Eureka.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements, or should strive to become financially literate within a reasonable period of time after being appointed as a member of the Audit Committee. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

## **2. Appointment and Vacancies**

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of Eureka. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of Eureka or ceases to be a Director of Eureka. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of Eureka may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

## **C. MEETINGS**

### **1. Frequency**

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the external auditors of Eureka in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

### **2. Chair**

The Board of Directors of Eureka or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of Eureka.

### **3. Time and Place of Meetings**

The time and place of meetings of the Audit Committee and the procedure at such meeting will be determined from time to time by the members of the Audit Committee, provided that:

- (a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- (b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of Eureka at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (an attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of Eureka on the direction of the President of Eureka, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

### **4. Agenda**

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate

secretary of Eureka in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

## **5. Resources**

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of Eureka or its subsidiaries or the legal counsel to Eureka or the external auditors of Eureka to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

## **D. DUTIES AND RESPONSIBILITIES**

The Board of Directors of Eureka has delegated the following duties and responsibilities to the Audit Committee and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

### **1. Review and Reporting Procedures**

The Audit Committee will make regular reports to the Board of Directors of Eureka. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

### **2. Financial Reporting**

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of Eureka the following financial statements and related information prior to filing or public dissemination:

- (a) annual audited financial statements of Eureka, including notes;
- (b) interim financial statements of Eureka;
- (c) management discussion and analysis (“**MD&A**”) relating to each of the annual audited financial statements and the interim financial statements of Eureka;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of Eureka, including the use of non-GAAP earnings measures;
- (e) the annual report of Eureka;
- (f) all financial-related disclosure to be included in management proxy circulars of Eureka in connection with meetings of shareholders; and
- (g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by Eureka.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

- (a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;
- (b) any significant or unusual transactions;
- (c) significant management estimates and judgments; and
- (d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

### **3. External Auditors**

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of Eureka (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit, review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of Eureka. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to Eureka or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of Eureka for the coming financial year.

Prior to the release of the annual financial statements of Eureka, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of Eureka's accounting principles as applied in the Eureka's financial reporting.

### **4. Legal and Compliance**

The Audit Committee is responsible for reviewing with management of Eureka the following:

- (a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of Eureka and its subsidiaries which would have a material current or future effect on the financial condition of Eureka;
- (b) major risk exposures facing Eureka and the steps that management has taken to monitor, control and manage such exposures, including Eureka's risk assessment and risk management guidelines and policies;
- (c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of Eureka and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and

- (d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of Eureka certifying Eureka's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

## **5. Internal Controls**

The Audit Committee is responsible for reviewing the adequacy of Eureka's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

- (a) the receipt, retention and treatment of complaints received by Eureka regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees or consultants of Eureka of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve Eureka's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of Eureka outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.