

PPX MINING CORP.

**NOTICE OF ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

TAKE NOTICE that an Annual General Meeting of the shareholders (the "**Meeting**") of PPX Mining Corp. (the "**Company**") will be held at 10:00 a.m. (Eastern Standard Time) Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, Canada on Wednesday, October 5, 2016 for the following purposes:

1. To receive the financial statements of the Company for the year ended September 30, 2015 together with the report of the auditors thereon.
2. To set the number of directors of the Company at six (6) for the ensuing year.
3. To elect directors of the Company for the ensuing year, as described in the Information Circular accompanying this Notice.
4. To appoint auditors of the Company for the ensuing year.
5. To consider and, if thought fit, to pass an ordinary resolution approving the Company's rolling stock option plan.
6. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The accompanying Information Circular provides additional information relating to matters to be dealt with at the Meeting and is deemed to form part of this Notice.

Shareholders who are unable to attend the Meeting in person are requested to vote on the matters proposed pursuant to the instructions in the enclosed form of proxy or voting instruction form.

DATED at Vancouver, British Columbia, this 2nd day of September, 2016.

ON BEHALF OF THE BOARD OF DIRECTORS

"Brian J. Maher"

PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

PPX MINING CORP.
880 - 580 Hornby Street
Vancouver, British Columbia V6C 3B6
Tel: 604 639-3880 Fax: 604 684-0642

INFORMATION CIRCULAR

(As at September 2, 2016, except as indicated)

PPX Mining Corp. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on October 5, 2016 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will not be sending proxy material to shareholders using the "notice-and-access" procedure available under National Instrument 54-101 *Communication with Beneficial Owners of Securities of Reporting Issuers*. The Company will pay the cost of solicitation.

Unless otherwise indicated, dollar figures in this Information Circular are in Canadian dollars.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also confers discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, CST Trust Company, 600 The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2A1 or by facsimile to (403) 776-3916 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

There are two kinds of non-registered holders: 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 (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders. The Company will not be sending proxy-related materials directly to NOBOs.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. The Company intends to pay for Nominees to deliver the proxy-related materials to OBOs. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his or her attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 308,999,767 shares are issued and outstanding as of the date of this Information Circular. Persons who are registered shareholders at the close of business on the record date, September 2, 2016, will be entitled to receive notice of and to vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares issued and outstanding.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's philosophy, objectives and processes regarding compensation for its senior management; specifically, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), and each of the three most highly compensated executive officers (other than the CEO and the CFO), or the three most highly compensated individuals acting in a similar capacity, during the year ended September 30, 2015 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that such individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of such financial year (each a "Named Executive Officer" or a "NEO" and collectively, the "Named Executive Officers" or "NEOs"). This section explains how decisions regarding executive compensation are made and the reasoning behind these decisions and discusses the key elements of the Company's compensation program.

For the year ending September 30, 2015, the Company had the following Named Executive Officers:

- Brian Maher – President and CEO from March 1, 2013; and
- Kimberly Ann Arntson – VP of Corporate Development from March 1, 2013, VP of Corporate Development and CFO from November 1, 2013.

The elements of the Company's compensation program

For the year ending September 30, 2015, compensation for the Named Executive Officers consisted of three primary elements: base salary/consulting fees, bonus and long-term equity incentives. The following provides an overview of the elements of compensation:

Compensation Element	Type of Compensation	Name of Plan	Performance Period	Form of Payment
Base Salary / Consulting Fees	Annual - Fixed Pay	Salary Program	1 year	Cash
Bonus	Annual - Variable Pay	Employee Bonus Plan	1 year	Cash or Shares
Long-Term Equity Incentives	Long Term - Variable Pay	Stock Option Plan	up to 5 years	Shares or Options

The Named Executive Officers also receive medical and dental plan coverage.

The objective of the Company's compensation program

The objective of the Company's compensation program is to attract and retain highly qualified and committed senior management by providing appropriate compensation and incentives intended to align the interests of senior management with those of the Company's shareholders in order to provide incentives for senior management to enhance shareholder value.

What the Company's compensation program is designed to reward

The Company's compensation program is designed to reward attaining the Company's business objectives as well as increases in shareholder value resulting from increases in the trading price of the shares due to increased value or potential value in the Company's operations.

Why the Company chooses to pay each element of its compensation program and how the Company determines the amount for each element

The Board uses all the data available to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain personnel it considers essential to the success of the Company. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board's view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance.

In the process used by the Board to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Company. The Board can exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

The Compensation Committee makes recommendations to the Board regarding total compensation to the Named Executive Officers of the Company, including base salaries, bonuses and long-term equity incentive grants. These recommendations are considered by the Board against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

Salary/Consulting Fees. Base salary/consulting fees represent the fixed element of the Named Executive Officer's cash compensation. The base salary/consulting fees reflect economic considerations for each individual's level of responsibility, expertise, skills, knowledge and performance. Base salaries/consulting fees for the Named Executive Officers of the Company are reviewed annually by the Board in accordance with the terms of their respective employment agreement.

Annual Cash Bonus Awards. The Board has the authority, based upon the recommendation of the Compensation Committee, to award discretionary bonuses to the executive officers and other bonus participants. The annual bonus awards are intended to compensate officers and other employees for achieving superior financial and operational goals of the Company. The annual bonus may be paid in cash or shares. The actual amount of bonus is determined following a review of each participant's individual performance.

Bonuses awarded by the Board are intended to be competitive with the market while rewarding senior executives and other participants for meeting quantitative and qualitative goals, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. The Board considers not only the Company's performance during the year with respect to the quantitative goals, but also with respect to market and economic trends and forces, extraordinary internal

and market-driven events, unanticipated developments and other extenuating circumstances. The Board analyzes the total mix of available information on a qualitative, rather than quantitative, as a basis to finalize bonus awards.

Long-Term Incentive Programs. The allocation of stock options and the terms designed in those options are an integral component of the compensation package of the senior officers of the Company. The Company has a stock option plan in place for the purpose of providing stock options to the officers. The Board believes that the grant of options to the executive officers and share ownership by such officers serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all shareholders of the Company. In addition, stock options are awarded to employees of the Company by the Board based upon the recommendation of the Chief Executive Officer, who bases his decision upon the level of responsibility and contribution of the individuals toward the Company's goal and objectives. Also, the Board considers the overall number of stock options that are outstanding relative to the number of outstanding common shares of the Company in determining whether to make any new grants of stock options and the size of such grants. The Company utilizes the Black-Scholes model in establishing the fair value of option grants.

Hedging Activities

The Company has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, and to the Company's knowledge, no NEO or director has hedged the economic value of his or her direct or indirect interests in the market value of the Company's shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board has not proceeded to a formal evaluation of the implications of risks associated with the Company's compensation policies and practices, but the Board will continually review the Company's compensation policies to identify any practice that might encourage an employee to expose the Company to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Company's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Company once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the number of options a particular NEO is entitled to receive is limited by the Company's option plan.

Compensation Committee

The Compensation Committee is responsible for recommending, monitoring and reviewing compensation policies and practices of the Company and administering the Company's equity compensation plan in consideration of those objectives. For the financial year ended September 30, 2015, the Compensation Committee was comprised of Jorge Benavides, Diego De La Torre De La Piedra and Brian Imrie, each of whom is independent of the Company. Each such person has experience as a senior executive and as a board member of other companies, which includes general exposure to executive compensation policies and practices, but none has direct experience in human resources or otherwise explicitly with respect to executive compensation.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 *Statement of Executive Compensation*) sets forth all annual and long term compensation for services in all capacities to the Company for the three

financial years of the Company up to September 30, 2015 in respect of each of the Named Executive Officers.

NEO Name and Principal Position ⁽¹⁾	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Brian Maher ⁽³⁾ CEO	2015	319,001	Nil	122,417	Nil	Nil	Nil	Nil	441,418
	2014	288,025	Nil	73,781	Nil	Nil	Nil	Nil	361,806
	2013	156,593	Nil	281,949	Nil	Nil	Nil	Nil	438,542
Antony Wood ⁽⁴⁾ Former CFO	2014	45,130	Nil	57,979	Nil	Nil	Nil	Nil	103,109
	2013	126,629	Nil	205,949	Nil	Nil	Nil	Nil	332,578
Kimberly Ann Arntson ⁽³⁾⁽⁵⁾ CFO, VP of Corporate Development	2015	219,901	Nil	122,417	Nil	Nil	Nil	Nil	342,318
	2014	248,368	Nil	50,078	Nil	Nil	Nil	Nil	298,446
	2013	108,182	Nil	167,349	Nil	Nil	Nil	Nil	275,531

- (1) Messrs. Maher and Wood and Ms. Arntson commenced their employment with the Company on March 1, 2013.
- (2) The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each 2015 financial year calculation: (i) risk free interest rate of 2%, (ii) expected dividend yield of nil, (iii) expected stock price volatility of 104% and (iv) expected life of options of 5 years. The Company chose this methodology to record stock-based compensation at its fair value over the vesting period as compensation expense.
- (3) Mr. Maher and Ms. Arntson are paid in US dollars. Their salary disclosure for each year is translated to Canadian dollars using the average exchange rate for each applicable year ended September 30 being 2013 US\$1.00 = CDN\$1.03, 2014 US\$1.00 = CDN\$1.12 and 2015 US\$1.00 = CDN\$1.33.
- (4) Mr. Wood resigned as CFO of the Company on November 21, 2013.
- (5) Ms. Arntson's salary compensation, in its entirety, is paid by the Company to a limited liability company owned by Ms. Arntson.

Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets forth information concerning all awards outstanding at the end of the financial year ended September 30, 2015, including awards granted before such financial year, to each of the Named Executive Officers pursuant to the Company's stock option plan (see "Executive Compensation – Incentive Plan Awards – Description of Option Plan" below):

Name	Option-Based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (s)
Brian Maher CEO	1,200,000	0.26	02-28-2018	Nil	Nil	Nil	Nil
	500,000	0.15	09-30-2018	Nil	Nil	Nil	Nil
	1,000,000	0.16	10-28-2019	Nil	Nil	Nil	Nil
Kimberly Ann Arntson CFO, VP of Corporate Development	600,000	0.26	02-28-2018	Nil	Nil	Nil	Nil
	500,000	0.15	09-30-2018	Nil	Nil	Nil	Nil
	1,000,000	0.16	10-28-2019	Nil	Nil	Nil	Nil

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at September 30, 2015, which was \$0.135 per share, and the exercise or base price of the option.

Value Vested Or Earned During The Year

The value vested or earned during the financial year ended September 30, 2015 of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards Value Vested During Year -	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Brian Maher CEO	Nil	Nil	Nil
Kimberly Ann Arntson CFO, VP of Corporate Development	Nil	Nil	Nil

(1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date. The amount is computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the grant date.

Description of Option Plan

The Company has a stock option plan (the "**Option Plan**") pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Company.

The purpose of the Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted) less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Option Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Option Plan contains

no vesting requirements (other than for Optionees engaged in investor relations activities, in which case options vest in stages over a period of 12 months), but permits the Board of Directors to specify a vesting schedule in its discretion. The Option Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The maximum number of shares which may be issued pursuant to options previously granted and those granted under the Option Plan will be 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed (without disinterested shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is a consultant. The number of shares which may be reserved for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued shares on a yearly basis. The number of shares which may be reserved for issuance to insiders of the Company as a group may not exceed (without disinterested shareholder approval) 10% of the issued shares on a yearly basis.

The Option Plan provides that on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company, provided that the board of directors may extend this 90-day termination date to a later date within a reasonable period in accordance with applicable policies of the Exchange.

The full text of the Option Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 880 - 580 Hornby Street Vancouver, British Columbia and will also be available for review at the Meeting.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

Effective March 1, 2013, the Company entered into agreements with Brian Maher to act as President and Chief Executive Officer (the "**Maher Agreement**") and Kimberly Ann Arntson to act as Vice President, Corporate Development (the "**Arntson Agreement**" together with the Maher Agreement, the "**Executive Agreements**"). Each such agreement provides that, in the event of termination by the Company without cause other than following a change of control, the Company shall pay such person (i) his or her annual salary; and (ii) the average annual bonus during the preceding three years.

As used below, a "change of control" shall be deemed to have occurred if:

- (a) the acquisition by any person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 20% or more of the common shares and within six months of such acquisition there are elected to the Company's board a majority of board members who were not board members prior to the acquisition; or

Diego de la Torre de la Piedra	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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- (1) Brian Maher, President and CEO of the Company, also serves as a director, but is not compensated in such capacity.
- (2) The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following weighted average assumptions and estimates for each 2015 financial year calculation: (i) risk free interest rate of 2%, (ii) expected dividend yield of nil, (iii) expected stock price volatility of 104% and (iv) expected life of options of 5 years. The Company chose this methodology to record share-based compensation at its fair value over the vesting period as compensation expense.

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the financial year or subsequently, up to and including the date of this Information Circular, except for the Company's Option Plan for the granting of incentive stock options to the officers, employees and Directors. See "Executive Compensation – Incentive Plan Awards – Description of Option Plan" in this Information Circular for further information regarding the Option Plan. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. Options are granted to Directors at the Board's discretion in a similar manner as options granted to NEOs, as described under "Compensation Discussion and Analysis" in this Information Circular.

Incentive Plan Awards *Outstanding Share-Based and Option-Based Awards*

The following table sets forth information concerning all awards outstanding at the end of the financial year ended September 30, 2015, including awards granted before such financial year, to each of the Directors who are not Named Executive Officers:

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Brian Imrie	550,000	0.15	30-09-2018	Nil	Nil	Nil	Nil
	700,000	0.16	10-28-2019	Nil	Nil	Nil	Nil
Jorge Benavides	550,000	0.47	16-04-2017	Nil	Nil	Nil	Nil
	700,000	0.16	10-28-2019	Nil	Nil	Nil	Nil
Felix Navarro-Grau Hurtado	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Diego de la Torre de la Piedra	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at September 30, 2015, which was \$0.135 per share, and the exercise or base price of the option.

Value Vested Or Earned During The Year

The value vested or earned during the financial year ended September 30, 2015 of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Director Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Brian Imrie	Nil	Nil	Nil
Jorge Benavides	Nil	Nil	Nil
Felix Navarro-Grau Hurtado	Nil	Nil	Nil
Diego de la Torre de la Piedra	Nil	Nil	Nil

- (1) This amount is the dollar value that would have been realized if the options had been exercised on the grant date, as all options were fully vested on the date of grant. The amount is computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the grant date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the financial year ended September 30, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽²⁾ (c)
Equity compensation plans approved by securityholders	11,533,000	\$0.22	13,364,789
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	11,533,000	\$0.22	13,364,789

(1) Represents the number of shares available for issuance upon exercise of outstanding stock options as at September 30, 2015.

(2) Represents the number of shares remaining available for future issuance under stock options available for grant as of September 30, 2015 under the Company's stock option plan. The maximum number of shares which may be issued pursuant to options granted under the plan is 10% of the issued and outstanding shares at the time of grant. See "Incentive Plan Awards - Description of Option Plan" in this Information Circular for further details concerning the Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at September 2nd, 2016 there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended September 30, 2015 was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the financial year ended September 30, 2015 has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the financial year ended September 30, 2015 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE PROGRAMS

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During Year ended September 30, 2015 (\$)	Amount Outstanding as at September 2, 2016 (\$)	Financially Assisted Securities (#)	Security for Indebtedness	Amount Forgiven During the Financial Year ended September 30, 2015 (\$)
John Rucci Former CEO ⁽¹⁾	Company is lender	655,922	Nil	2,465,000	The issued securities	Nil

- (1) On February 27, 2013 the Company entered into a loan agreement with Mr. Rucci, a former director and officer of the Company. The proceeds of the loan were used by Mr. Rucci to exercise his outstanding options to purchase shares at \$0.25 per share. Mr. Rucci has pledged such shares to the Company as security for the loan. During the year ended September 30, 2015, the Company and Mr. Rucci agreed to settle all obligations. The settlement includes the cancellation of the loan of \$616,250 receivable by the Company and the cancellation of 2,465,000 common shares (cancelled on October 6, 2015) of the Company held as collateral for the loan, as well as the issuance of 251,179 common shares of the Company valued at \$21,350 to settle outstanding debt of \$25,118 and issuance of 1,220,000 stock options at an exercise price of \$0.25 per common share which expires on November 24, 2016.

AGGREGATE INDEBTEDNESS		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share Purchases	Nil	Nil
Other	Nil	Nil

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the financial year ended September 30, 2015, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended September 30, 2015 or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

AUDIT COMMITTEE

The Audit Committee's Charter

The Company's Audit Committee Charter is attached as Schedule "A".

Composition of the Audit Committee

The following are the members of the Committee:

Brian Imrie	Independent ①	Financially literate ①
Jorge Benavides	Independent ①	Financially literate ①
Diego De La Torre De La Piedra	Independent ①	Financially literate ①

① As defined by National Instrument 52-110 *Audit Committees* ("NI 52-110").

Relevant Education and Experience

Brian Imrie has extensive experience in corporate finance and merger and acquisition transactions, gained while working at Morgan Stanley, Credit Suisse and National Bank Financial. He has also served as Global Head of Mining M&A for KPMG Corporate Finance and was responsible for creating an integrated global mining advisory team based in several countries. Such transactional experience involved considerable evaluation of complex financial statements and active supervision of colleagues engaged in such evaluation. Mr. Imrie received his MBA from Harvard University in 1987 and his BA from the University of Toronto in 1983.

Jorge Benavides has over 30 years' experience in the mining industry and is currently President, CEO and Director of Zincore Metals Inc., a Peruvian-focused base metal exploration and mine development company. Prior to joining Zincore, Mr. Benavides's experience included serving as an independent consultant and Senior Advisor to the Chairman of Hochschild Mining PLC and prior to that Vice president of Exploration South America for Phelps Dodge. Mr. Benavides is also a director of one other private Canadian exploration company and two private Peruvian companies. He holds a M.Sc. in Ore Deposits and Exploration from Stanford University and a B.Sc. in Geological Engineering from the Colorado School of Mines.

Diego de la Torre de la Piedra is co-founder of La Viga, the largest building materials distribution company in Peru. He is also founder of Quikrete Peru, a joint venture with an American company that has lead and pioneered the production and development of dry ready mix concrete in the Peruvian market. Mr. de la Torre de la Piedra was also a professor of business at the Universidad del Pacífico in Lima, where his research interests included the dynamics of start-ups and how to foster trust, understanding and ethical business relationships.

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended September 30, 2015 was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's financial year ended September 30, 2015 has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's Charter in Schedule "A" under the heading "External Auditors".

External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2015	\$40,180	Nil	\$4,000	Nil
2014	\$53,503	Nil	Nil	Nil

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Part 5 (*Reporting Obligations*). The Company has recently but is not currently relying on the exemption in Section 6.1 from the requirement of Part 3 (*Composition of the Audit Committee*).

CORPORATE GOVERNANCE DISCLOSURE

A summary of the responsibilities and activities and the membership of each of the Committees of the Board is set out below.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Policy 58-201 – *Corporate Governance Guidelines*. These guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below, having regard to the requirements set forth for Venture Issuers in Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Independence of Members of Board

The Company's Board currently consists of five directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Felix Navarro-Grau Hurtado, Diego De La Torre De La Piedra, Jorge Benavides and Brian Imrie are independent. Brian J. Maher is not independent as he is the CEO of the Company.

The Board exercises its responsibility for independent oversight of management by having a majority of independent directors, including an independent Chairman in Mr. Benavides. The non-management directors hold *in camera* sessions (i.e. without management present) as necessary.

Participation of Directors in Other Reporting Issuers

The following current and proposed directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
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Name of Director	Name of Other Reporting Issuer
Brian Maher	Goldstream Minerals Inc.
Jorge Benavides	Zincore Metals Inc.
Brian Imrie	None
Diego de la Torre de la Piedra	None
Felix Navarro-Grau Hurtado	None

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are made aware of the nature and operation of the business of the Company through interviews with other board members and management during which they are briefed on the Company and its current business issues. Information on courses pertaining to corporate governance is circulated to Board members who are encouraged to attend. The Governance and Nomination Committee has responsibility to review and report to the Board from time to time with respect to the orientation process for new directors and continuing education.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") for all employees and consultants, which is overseen by the Governance and Nomination Committee. The Board has also adopted a Whistleblower Policy, which is overseen by the Audit Committee. The Board has instructed its management, employees and consultants to bring any breaches of the Code to the attention of the Chair of the Audit Committee.

Nomination of Directors

The Board's Governance and Nomination Committee provides the Board with recommendations relating to board size and composition, the candidate selection process and the orientation of new members. The recruitment of new candidates for Board nomination has involved both formal and informal discussions among committee members and the CEO.

Compensation of Directors and the CEO

The Compensation Committee reviews and makes recommendations to the Board with respect to the annual salary, bonus and other benefits, direct and indirect, of the CEO and other executive officers and key employees. The Compensation Committee also periodically reviews the adequacy and form of compensation of directors to ensure that the level of compensation realistically reflects the responsibilities and risks involved in being an effective director. Further information regarding the compensation to directors and the CEO appears under "Executive Compensation" in this Information Circular.

Assessments

The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the

future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

Board Committees

In addition to the Audit Committee, the Company has a Safety, Health and Environment Committee, a Compensation Committee, Technical Committee and a Governance and Nomination Committee.

The Safety, Health and Environment Committee is responsible for overseeing the development and implementation of policies and procedures for ensuring a safe, healthy work environment and sustainable development.

The Compensation Committee is described above under "Compensation of Directors and the CEO".

The Technical Committee is responsible for overseeing all technical aspects of the company's activities including geological, mining and mineral processing.

The purpose of the Governance and Nomination Committee, in addition to its nomination function referenced above under "Nomination of Directors", is to provide the Board with recommendations relating to corporate governance in general, including: (a) all matters relating to the stewardship role of the Board in respect of the management of the Company, (b) Board size and composition, including the candidate selection process and the orientation of new members, (c) Board compensation, and (d) such procedures as may be necessary to allow the Board to function independently of management.

PARTICULARS OF MATTERS TO BE ACTED UPON

(a) Receipt of Financial Statements and Auditors' Report

Audited financial statements of the Company for the year ended September 30, 2015, together with the report of the auditors thereon, were mailed separately to registered shareholders and those shareholders that requested this information. The financial statements of the Company for the year ended September 30, 2015 and the auditors' report thereon will be placed before the shareholders at the Meeting.

Under securities legislation, the Company is required to send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a hard copy of the Company's annual financial statements and related management's discussion and analysis ("MD&A") and/or the Company's interim financial statements and related MD&A. Shareholders who wish to receive a hard copy of the Company's annual financial statements and related MD&A and/or the Company's interim financial statements and related MD&A are encouraged to send the enclosed return card directly to CST Trust Company at the address noted thereon.

(b) Election of Directors

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval by ordinary resolution will be sought to fix the number of directors of the Company at six (6).

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾
Brian Maher ⁽²⁾⁽⁵⁾ California, United States President, CEO and Director	President and CEO of the Company	Since March 1, 2013	1,594,589
Jorge Benavides ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Lima, Peru Chairman and Director	Exploration Geologist; President, CEO and Director Zincore Metals Inc.	Since March 31, 2012	5,041,236
Brian Imrie ⁽³⁾⁽⁴⁾ Ontario, Canada Director	Managing Director of Investment Banking, Mackie Research Capital Corporation; consultant to Canadian public companies, principally in the mining industry	Since June 11, 2013	2,810,100
Diego de la Torre de la Piedra ⁽³⁾⁽⁴⁾ Lima, Peru	Chairman of the Board of La Viga, Quikrete Peru and Aleteia Capital since 1989.	Since July 7, 2015	396,000
Felix Navarro-Grau Hurtado ⁽²⁾⁽⁵⁾ Lima, Peru	CEO and director of Consorcio Minero Horizonte S.A., Desafío Minero S.A. and Aguas y Energía S.A. since 2013; mining advisor and personal business prior to 2013.	Since July 7, 2015	2,600,000
Miguel Fernando Arias Vargas Lima, Peru	Is President a Director of Peruana de Energía, a Peruvian hydro-energy company and is a director of Minera Andina de Exploraciones S. A. A., an exploration and mine development company	N/A	Nil

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at September 2, 2016, based upon information furnished to the Company by individual Directors or proposed directors.

(2) Member of the Safety, Health and Environment Committee.

(3) Member of the Governance and Nomination Committee and the Compensation Committee.

(4) Member of the Audit Committee.

(5) Member of the Technical Committee.

As a group, the nominated directors listed above beneficially own, directly or indirectly, or exercise control or direction over 12,441,925 shares, which constitutes approximately 4% of the Company's outstanding shares.

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

Except as set out below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, CEO or CFO of any company (including the Company) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

(c) Appointment of Auditors

Crowe MacKay LLP, Chartered Accountants, of Calgary, Alberta are the auditors of the Company, appointed effective February 28, 2007. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Crowe MacKay LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

(d) Approval of Stock Option Plan

The Board of Directors of the Company implemented an Option Plan which was approved by the shareholders of the Company at the annual general meeting held on December 9, 2014. The number of shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares in any 12-month period or 2% if the optionee is engaged in investor relations activities or is a consultant. Among other requirements under Exchange policies, the exercise price of stock options under the Option Plan cannot be below the closing market price on the day prior to the grant date or the date of the applicable news release, less a discount of up to 25%,

For a further description of the Option Plan, see "Executive Compensation – Incentive Plan Awards – Description of Option Plan" in this Information Circular. The full text of the Option Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 880 - 580 Hornby Street Vancouver, British Columbia and will also be available for review at the Meeting.

Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. Therefore, at the Meeting shareholders will be asked to pass an ordinary resolution in the following form:

"UPON MOTION IT WAS RESOLVED that

- (1) the Company approve and ratify, subject to regulatory approval, the Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding Common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis; and
- (2) any one officer or director of the Company is hereby authorized to execute and deliver all such documents and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the approval and ratification of the Option Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at the address and contact information above to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its financial year ended September 30, 2015 which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 2nd day of September, 2016.

APPROVED BY THE BOARD OF DIRECTORS

"Brian J. Maher"

Brian J. Maher, President, CEO and Director

SCHEDULE "A"

Audit Committee Charter

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

1. serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
2. review and appraise the performance of the Company's external auditor;
3. provide an open avenue of communication among the Company's auditor, financial and senior management and the Board of Directors; and
4. report regularly to the Board of Directors the results of its activities.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52-110 entitled "Audit Committees"), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Audit Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

A. Documents/Reports Review

1. review and update this Audit Committee Charter annually;
2. review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and
3. review regular summary reports of directors and officers expense account claims at least annually. Establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chairman of the Audit Committee or of the Compensation Committee to approve expense reports of the President and the CEO and the CEO to approve those of the directors and officers.

B. External Auditor

1. review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company;
2. obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company;
3. review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
4. take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
5. recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
6. recommend to the Board of Directors the compensation to be paid to the external auditor;
7. at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
8. review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
9. review with management and the external auditor the audit plan for the year-end financial statements; and
10. review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
 - (b) such services were not recognized by the Company at the time of the engagement to be non-audit services, and

- (c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

1. in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
2. consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
3. consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
4. review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
5. following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
6. review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
7. review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
8. review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
9. review certification process;
10. establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
11. establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
12. on at least an annual basis, review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

The Audit Committee will have the authority to:

1. review any related-party transactions;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;
3. to set and pay compensation for any independent counsel and other advisors employed by the Committee;

4. communicate directly with the auditors; and
5. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation