



**OBAN MINING CORPORATION**

**NOTICE OF MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on**

**JUNE 7, 2016**

**DATED AS OF MAY 3, 2016**

## OBAN MINING CORPORATION

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Oban Mining Corporation (the "**Corporation**") will be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario on June 7, 2016 at 10:00 a.m. (Eastern Daylight Time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2015 and the report of the auditors thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Accountants as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to consider and, if deemed advisable, to approve a special resolution to change the Corporation's name from "Oban Mining Corporation" to "Osisko Mining Inc.", as more particularly described in the accompanying management information circular (the "**Circular**"); and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 3, 2016 (the "**Record Date**"). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed or faxed or voted online so as to reach or be deposited with TMX Equity Transfer Services at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, Fax Number: (416) 595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

DATED this 3<sup>rd</sup> day of May, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
OBAN MINING CORPORATION**

*(signed) John Burzynski*

John Burzynski  
President and Chief Executive Officer

## GENERAL INFORMATION RESPECTING THE MEETING

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Oban Mining Corporation (the "Corporation") for use at the annual and special meeting (the "Meeting") of the shareholders of the Corporation (the "Shareholders") to be held at 10:00 a.m. (Eastern Daylight Time) on June 7, 2016 at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario, for the purposes set forth in the Notice accompanying this Circular (the "Notice"). References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the "Board") has fixed the close of business on May 3, 2016 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Corporation's registrar and transfer agent, TMX Equity Transfer Services at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, Fax Number: (416) 595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

In this Circular, unless otherwise indicated, all references to "\$" refer to Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of May 3, 2016.

### Voting of Proxies

The common shares in the capital stock of the Corporation ("Common Shares") represented by the accompanying form of proxy (if same is properly executed and is received at the offices of TMX Equity Transfer Services at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of TMX Equity Transfer Services, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The

Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (a) completing and signing a proxy bearing a later date and depositing it at the offices of TMX Equity Transfer Services at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, Fax Number: (416) 595-9593;
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by a duly authorized officer or attorney either with TMX Equity Transfer Services at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, Fax Number: (416) 595-9593 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (c) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for:

- (a) delivering these materials to you, and
- (b) executing your proper voting instructions.

Please return your voting instructions as specified in the request for voting instructions.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting

Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (c) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (d) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TMX Equity Transfer Services at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the voting instruction form or form of proxy, as applicable, and insert the Non-Registered Shareholder's or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting, other than the election of directors and the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As at the date hereof, there are 125,028,956 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at May 3, 2016 (the "**Record Date**"). All holders of Common Shares of record at the close of business on the Record Date are entitled either to attend the Meeting and vote the Common Shares held by them in person or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, TMX Equity Transfer Services, within the time specified in the attached Notice, to have a proxy attend and vote the Common Shares in accordance with the Shareholder's instructions.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Osisko Gold Royalties Ltd <sup>(3)</sup>	19,859,327	15.9%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the Shareholder listed above.
- (2) Calculated on a non-diluted basis on the basis of Common Shares issued and outstanding.
- (3) Osisko Gold Royalties Ltd ("**Osisko Royalties**") is a royalty company of which Messrs. John Burzynski and Sean Roosen are directors.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the "**NEOs**" or "**Named Executive Officers**"), during the Corporation's most recently completed financial year, being the financial year ended December 31, 2015 (the "**Last Financial Year**"). The only NEOs of the Corporation during the Last Financial Year were John Burzynski, the Corporation's President and CEO; Jose Vizquerra Benavides, the Corporation's Chief Operating Officer and VP of Corporate Development (and former President and Chief Executive Officer); Blair Zaritsky, the Corporation's Chief Financial Officer and Corporate Secretary; and Gernot Wober, the Corporation's Vice President, Exploration. The Corporation had no other executive officers whose total salary (including incentive awards) and bonus during the Last Financial Year exceeded \$150,000.

### *Compensation Committee*

The compensation committee of the Board (the "**Compensation Committee**") is appointed by the Board to assist in fulfilling its corporate governance responsibilities under applicable laws, to assist the Board in setting director and senior executive compensation, and to develop and submit to the Board recommendations with respect to other employee benefits as the Compensation Committee sees fit.

The Compensation Committee is currently comprised of four directors, namely Bernardo Calderon (Chair), Sean Roosen, Patrick Anderson and Keith McKay. All of the members of the Compensation Committee are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

See also "*Statement of Corporate Governance – Compensation Committee*".

### ***Compensation Process***

Neither the Corporation nor the Compensation Committee currently has, or has had at any time since incorporation, any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation. The Board relies on the knowledge and experience of the members of the Compensation Committee to set, review and recommend appropriate levels of compensation for senior officers.

Upon the Corporation becoming a reporting issuer in December of 2012, the Compensation Committee adopted a compensation process whereby it will review annually the total remuneration (including benefits) and the main components thereof for the officers and directors, and compare such remuneration with that of peers in the same industry, and review periodically bonus plans and the Option Plan (as hereinafter defined), and consider these in light of new trends and practices of peers in the same industry. The Compensation Committee's recommendations regarding director and officer compensation are presented to the Board for its consideration and approval. The Board is responsible for reviewing the compensation of members of senior management to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

### ***Compensation Program***

#### ***Principles/Objectives of the Compensation Program***

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with those of the Shareholders. The Compensation Committee has focused on ensuring that the members of the senior management team successfully create significant value for the Corporation given their knowledge of the industry, their past execution track record and their demonstrated ability to work as part of a team in an entrepreneurial culture.

In the performance of its duties, the Compensation Committee is guided by the following principles:

- establishing sound corporate governance practices that are in the interests of Shareholders and that contribute to effective and efficient decision-making;
- offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Corporation to meet its goals; and
- acting in the interests of the Corporation and the Shareholders by being fiscally responsible.

The Compensation Committee recognizes the positive benefits from having the entrepreneurial spirit of Mr. Burzynski and Mr. Vizquerra, assisted by Mr. Zaritsky and Mr. Wober. During the 2015 financial year, these individuals were responsible for the identification, negotiation and financing related to the Corporation's concurrent acquisitions of each of Eagle Hill Exploration Corporation ("**Eagle Hill**"), Ryan Gold Corp. ("**Ryan Gold**") and Corona Gold Corporation ("**Corona Gold**") on August 25, 2015 (the "**Arrangement**") and its acquisition of Northern Gold Mining Inc. ("**Northern Gold**") on December 22, 2015 and for the technical review of and initial negotiations that led to the successful acquisition of NioGold Mining Corp. subsequent to the end of the Last Financial Year.

#### ***Independent Compensation Consultants***

The Corporation did not engage an independent consulting firm for the 2015 year. The Board expects to establish a compensation program for directors and senior management in 2016 that will include the review of an independent consulting firm.

***Components of the Compensation Program***

The compensation program consists of the four following distinct elements aimed at aligning senior executives' interest with those of the Shareholders:

Components of Compensation	As % of Total Compensation	
	First Year	Target
Base Salary	25 to 28	25
Annual incentive (bonus) compensation	25 to 28	25
Long-term incentive compensation	44 to 50	50
Benefits	< 1	< 1

***Base Salaries/Consulting Fees***

The Corporation provides senior officers with base salaries or consulting fees that represent their minimum compensation for services rendered, or expected to be rendered. NEOs' base compensation depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

Base salary is a fixed element of compensation that is payable to each NEO for performing the specific duties of his position. The amount of base salary is determined through negotiation of employment terms with each NEO and is determined on an individual basis. While base salary is intended to fit into the Corporation's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Corporation and the nature and stage of its business also impacts the level of base salary. Compensation is set with informal reference to the market for similar jobs in Canada and internationally. Given the stage of the Corporation's business and operations, it did not benchmark against a peer group of companies.

The following sets out the annualized base salary of each of the NEOs during the 2015 financial year (effective starting on September 1, 2015).

Named Executive Officer	Annual Base Salary
John Burzynski, President and Chief Executive Officer <sup>(1)</sup>	\$270,000 <sup>(2)</sup>
Jose Vizquerra, Chief Operations Officer and SVP of Corporate Development <sup>(3)</sup>	\$260,000
Blair Zaritsky, Chief Financial Officer	\$230,000
Gernot Wober, Vice President, Exploration	\$220,000

Notes:

- (1) John Burzynski became the President and CEO on August 25, 2015.
- (2) Pursuant to the Burzynski Agreement, the Corporation pays consulting fees to Osisko Royalties in respect of John Burzynski's services as the President and CEO of the Corporation. See "*Termination and Change of Control Benefits*".
- (3) Jose Vizquerra changed positions from President and CEO to COO and Senior Vice President of Corporate Development on August 25, 2015.

***Annual Incentive Compensation***

The annual incentive program for the NEOs is based on their performance as a team against corporate objectives approved by the Board. Bonuses approved by the Board, at its sole discretion, based on the recommendation of the Compensation Committee. The target for annual incentive compensation for NEOs has been established at 100% of their respective base salary.

As part of its duties and responsibilities and in conjunction with year-end assessments, the Compensation Committee will review the realization of the Corporation's objectives and thereafter meet with management for discussion and consideration of each element contained in the corporate objectives.

The Corporation's key objectives for 2015 (the "**2015 Key Objectives**") were as follows:

- to acquire additional assets and double the resource base;
- to secure financing to fund growth opportunities;
- to grow investment portfolio;
- to increase existing resource base by redesign of mining method and continued exploration;
- to increase market capitalization;
- to increase working capital (cash & investments); and
- to increase analyst coverage.

The 2015 Key Objectives, an analysis of the Corporation's achievement of such objectives as assessed by the Compensation Committee at the beginning of 2016, the objectives' relative weighting and, ultimately, the awards paid to NEOs are described in more detail below.

#### Acquire additional assets and double the resource base

To be able to grow the asset base and compete with established exploration and development companies, the Corporation focused on the increase of its resources and reserves. The Corporation was successful in:

- completing the Arrangement (thereby acquiring Eagle Hill, Ryan and Corona) and the concurrent private placement of Common Shares to Osisko Royalties, pursuant to which the Corporation raised gross proceeds of approximately \$17.8 million (the "**Osisko Private Placement**"); and
- completing the acquisition of Northern Gold (the "**Northern Acquisition**").

Under the Arrangement, the Corporation acquired over 3.6 million gold ounces of mineral resources as well as approximately \$36 million in cash, cash equivalents and marketable securities. Under the Northern Acquisition, the Corporation acquired over 2 million gold ounces of mineral resources.

#### Secure financing to secure growth opportunities

To be able to grow the asset base and compete with established exploration and development companies, the Corporation set the goal of increasing its cash resources. In addition, the Corporation targeted securing cornerstone investors to allow the Corporation to execute its strategic plan over the next few years. The Corporation was successful in completing the following financings over the course of the 2015 financial year:

- a non-brokered private placement of 5,000,000 Common Shares at a price of \$0.10 per Common Share and an additional 10,000,000 Common Shares issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) ("**Flow-Through Shares**") at a price of \$0.10 per Flow-Through Share (in each case, on a pre-consolidation basis) for aggregate gross proceeds of \$1,500,000 completed on April 23, 2015;

- an offering of 5,000,000 Flow-Through Shares issued on a private placement basis at a price of \$0.10 per Flow-Through Share (on a pre-consolidation basis) for aggregate gross proceeds of \$500,000 completed on April 27, 2015;
- the Osisko Private Placement completed on August 25, 2015, pursuant to which the Corporation raised gross proceeds of approximately \$17.8 million; and
- a "bought deal" private placement financing of 8,427,500 Flow-Through Shares, which included 1,377,500 Flow-Through Shares issued on the exercise of the underwriter's option, at a price of \$1.55 per Flow-Through Share for aggregate gross proceeds of \$13,062,625 completed on September 30, 2015.

#### Grow investment portfolio

As a result of the completion of the Arrangement on August 25, 2015, the Corporation acquired a portfolio of investments from the companies it had acquired. The Corporation has also established a strategic plan of acquiring shares and positions of exploration companies in the same belts in which the Corporation has properties.

As a result of subsequent acquisitions, the Corporation's portfolio of investments has grown in value from \$5.3 million to \$8.7 million (64.2% increase).

The Corporation realized a \$742,350 gain on its investments in 2015.

#### Increase existing resource base by redesign of mining method and continued exploration

The Corporation advanced the Windfall Lake Property in 2015 by commencing a 55,000 metre drill campaign in late September 2015. This drill program encountered numerous high grade intercepts and identified additional mineralization below the Red Dog zone and has helped to define the resource both along strike and at depth.

#### Increase market capitalization

Market capitalization represents a measure of the relevance of the Corporation in the market place to both retail and institutional investors. The market capitalization is affected by the following:

- commodity price movements;
- near term financial performance; and
- investor support for long term strategic plan and vision outlined by management.

Management efforts included:

- developing a strategic plan and vision;
- communicating its plan and vision through investor presentations and communications; and
- implementing and executing its strategic plan.

The following chart sets out the number of Common Shares outstanding, the price per Common Share and the Corporation's market capitalization as at January 1, 2015, August 24, 2015 (being the last trading day prior to the closing date of the transformative Arrangement) and December 31, 2015.

	January 1, 2015	August 24, 2015	December 31, 2015
Shares Outstanding <sup>(1)</sup>	4.99 million	5.99 million	58.7 million
Price per Share <sup>(1)</sup>	\$2.40	\$1.40	\$1.19
Market Capitalization	\$12.0 million	\$8.39 million	\$69.8 million

Notes:

(1) On August 25, 2015, following the completion of the Arrangement, the Corporation effected a consolidation of the Common Shares on the basis of one post-consolidation Common Share for every 20 pre-consolidation Common Shares. Shares outstanding and prices per share are shown on a post-consolidation basis.

The market capitalization of the Corporation grew by 731% between the date on which the Arrangement was completed and December 31, 2015 and by 482% over the full 2015 year. The increase in market capitalization was due to:

- successfully completing the Arrangement (resulting in the acquisition of the Windfall Lake Property) and the Osisko Private Placement (raising proceeds of approximately \$17.8 million);
- successfully completing the additional financings during the 2015 year noted above; and
- successfully completing the Northern Acquisition, resulting in the acquisition of the Garrison property.

Increase working capital (cash & investments)

Management is focused on increasing working capital (cash and portfolio investments) to provide financial capacity to invest in near and short term opportunities consistent with the Corporation's strategic plan.

The following chart sets out the cash balance and market value of the Corporation's portfolio investments as at January 1, 2015, August 25, 2015 (being the closing date of the transformative Arrangement) and December 31, 2015.

	January 1, 2015	August 25, 2015 <sup>(1)</sup>	December 31, 2015
Cash	11.0 million	52.5 million	56.0 million
Investments (market)	0.3 million	5.7 million	8.7 million
<b>Total</b>	<b>11.3 million</b>	<b>58.2 million</b>	<b>64.7 million</b>

Notes:

(1) Figures shown reflect the completion of the Arrangement.

The Corporation's cash balance grew by 6.7% between the date on which the Arrangement was completed and December 31, 2015 and by 409% over the full 2015 year. The market value of the Corporation's portfolio investments grew by 53% between the date on which the Arrangement was completed and December 31, 2015 and by 2,800% over the full 2015 year. The increase in the Corporation's cash balance and the market value of the Corporation's portfolio investments was primarily due to the successful completion of the Arrangement, the Northern Acquisition and the various financings noted above. To achieve this objective, efforts had to be focused on raising capital, making sound investments and, to a lesser extent, maximizing operating efficiencies.

Increase analyst coverage

Analyst coverage provides stakeholders with a third party view on the Corporations goals, objectives, strategies and outlook. Due to management's efforts, since the Arrangement was completed on August 25, 2015, five analysts have covered the Corporation on a quarterly basis.

*Assessment of 2015 key objectives by the Compensation Committee*

It was agreed that management's performance would be assessed based on a "team" basis as this approach has proven to be very successful in the past and created a very strong relationship among senior executives which, in turn, was beneficial for the Shareholders. For each of the seven categories listed above, the Compensation Committee discussed the actual realization compared to the relevant objective and considered the proposed achievement rate suggested by management. In assessing the performance of management, members expressed their opinion based on management's presentations at a meeting of the Board and on regular progress reports.

The Compensation Committee approved the following evaluation of achievement percentages in respect of each of the 2015 Key Objectives. Each of the 2015 Key Objectives was determined to have been fully achieved and, accordingly, an achievement percentage of 100% was assigned to each objective.

<b>Objective</b>	<b>Allocation (A)</b>	<b>Achievement % (B)</b>	<b>Payout % (= A x B)</b>
1. Acquire additional assets and double the resource base	20.0	100%	20.0
2. Secure financing to fund growth opportunities	15.0	100%	15.0
3. Grow investment portfolio	10.0	100%	10.0
4. Increase existing resource base by redesign of mining method and continued exploration	15.0	100%	15.0
5. Increase market capitalization	25.0	100%	25.0
6. Increase working capital (cash & investments)	10.0	100%	10.0
7. Increase analyst coverage	5.0	100%	5.0
<b>Total</b>	<b>100.0</b>	<b>--</b>	<b>100.0</b>

Based on the payout percentages for each of the 2015 Key Objectives determined by the Compensation Committee, being 100%, the Compensation Committee calculated an overall payout percentage to be used to calculate the amount of the NEOs' annual incentive awards for the financial year ended December 31, 2015. The following annual incentive awards were approved for each NEO, representing 100% of their 100% target bonus (based on the NEOs' actual salary received in 2014 (see "Summary Compensation Table") and the overall payout percentage determined by the Compensation Committee and shown in the above table):

<b>Name</b>	<b>Base Salary (A)</b>	<b>Payout % (B)</b>	<b>Award Paid (= A x B)</b>
John Burzynski, President and Chief Executive Officer <sup>(1)</sup>	Nil	N/A	<b>Nil</b>
Jose Vizquerra, Chief Operations Officer and SVP of Corp Development <sup>(2)</sup>	\$256,250	100%	<b>\$256,250</b>
Blair Zaritsky, Chief Financial Officer	\$205,000	100%	<b>\$205,000</b>
Gernot Wober, Vice President, Exploration	\$215,250	100%	<b>\$215,250</b>

Notes:

(1) John Burzynski became the President and CEO on August 25, 2015.

(2) Jose Vizquerra changed positions from President and CEO to COO and Senior Vice President of Corporate Development on August 25, 2015.

Given the significant changes to the Corporation since the beginning of the 2015 financial year, the goals of the Corporation for upcoming periods may not necessarily be identical to those set in 2015.

*Options*

The grant of options to acquire Common Shares ("**Options**") pursuant to the Corporation's stock option plan (the "**Option Plan**") is an integral component of the compensation arrangements of the senior officers of the Corporation.

The Board believes that the grant of Options to senior officers and Common Share ownership by such officers serves to motivate them to strive towards achievement of the Corporation's long-term strategic objectives, which will benefit Shareholders. Options are awarded by the Board to directors, officers, employees and consultants of the Corporation, on the basis of the recommendation of the Compensation Committee. Decisions with respect to Options granted are based on the individual's level of responsibility and their contribution towards the Corporation's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board considers, among other things, previous grants and the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The Board generally grants Options to officers, employees and consultants that vest in tranches of one-third, with one-third of the Options vesting on the date of grant, one-third of the Options vesting on the first anniversary of the date of grant, and one-third of the Options vesting on the second anniversary of the date of grant. An annual Option grant program may be considered as the Corporation grows and develops its projects.

#### *Perquisites and Personal Benefits*

The Corporation also provides basic perquisites and personal benefits to certain of its NEOs. These perquisites and personal benefits are determined through negotiation of an executive employment agreement with each NEO. While perquisites and personal benefits are intended to fit the Corporation's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Corporation and the nature and stage of its business also impacts the level of perquisites and benefits. Currently a benefit program with life insurance and health benefits is offered to all NEOs. The Corporation has also provided a parking spot in the Corporation's office building to the President and CEO.

#### *Termination and Change of Control Benefits*

For a description of the termination and change of control benefits provided by the Corporation to the NEOs, please see "*Termination and Change of Control Benefits*" below.

#### *Compensation Risk Considerations*

The Compensation Committee structures the components of the compensation program in order to generate adequate incentives to increase shareholder value in the long term while maintaining a balance to limit excessive risk taking.

As part of measures in place to mitigate risk related to compensation structure, the Compensation Committee establishes the total compensation of the NEOs based on a balanced approach between fixed and variable compensation components. The use of multiple components limits the risks associated with having the focus on one specific component and provides flexibility to compensate short to medium term goals and long-term objectives in order to maximize shareholder value.

The fixed component of the NEOs' compensation is essentially composed of the base salary which, as discussed above, is aimed to represent 25% of their total compensation. The components forming the remaining 75% aim at rewarding short to long-term objectives and are composed of an annual incentive (100% performance based on a yearly basis) and grant of stock options.

As discussed above, the annual incentive compensation is measured against the achievements of specific corporate objectives established by the Compensation Committee at the beginning of each year. These objectives reflect, among other things, the necessity to establish a corporate structure for the Corporation, securing financing to fund growth opportunities, increase market capitalization, and increase in mineral resources and mineral reserves. The key objectives were set to position the Corporation for growth and to maximize shareholder value through the collective effort of the management team.

The long-term compensation is comprised of stock option grants. The Compensation Committee considers that the granting and vesting policies provide sufficient incentives to motivate the NEOs in the long term to increase the overall value of the Corporation and thereby provide an adequate alignment of their interest with those of the Shareholders. Stock options generally vest over a two year period and have a five year term. The Compensation Committee considers

that these characteristics provide sufficient incentives to motivate the NEOs in the long term to increase the overall value of the Corporation and thereby provide an adequate alignment of their interest with those of the Shareholders.

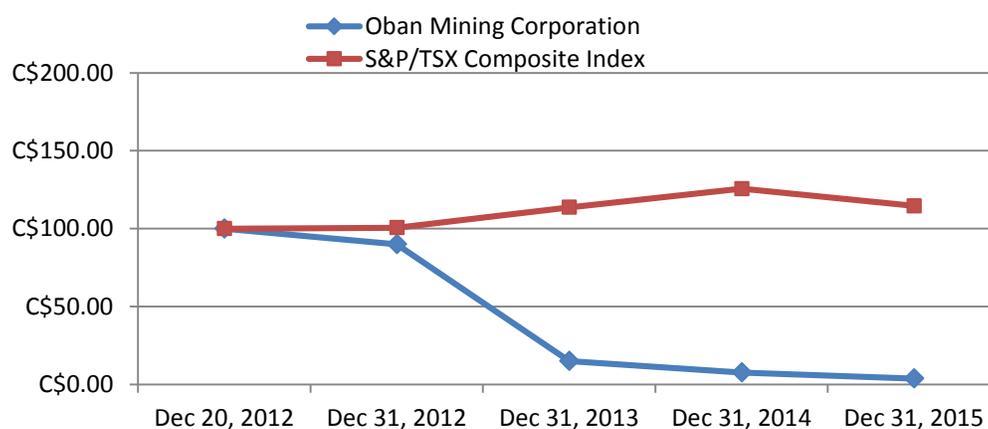
The Corporation has not adopted any retirement plan or pension plan for its directors and officers.

Based on the review performed in the last financial year, no risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation were identified. The Compensation Committee considers that the procedures and guidelines currently in place to mitigate key risks relating to compensation are adequately managed and do not encourage excessive risk-taking that would be reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee will continue to monitor and review the Corporation's compensation policies and practices annually to ensure that no component of the NEOs' compensation constitutes a risk.

The Corporation has a policy that restricts directors and NEOs from purchasing financial instruments in an amount greater than \$150,000, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge against or offset a decrease in market value of equity. To the knowledge of the Corporation, as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

### Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in the Common Shares on December 20, 2012 (the day the Common Shares began trading on the Toronto Stock Exchange (the "TSX")) against the cumulative total return of the S&P/TSX Composite Index for the period ending on December 31, 2015.



The amounts indicated in the graph above and in the chart below are as of December 20, 2012 and December 31 in each of the years 2012, 2013, 2014 and 2015.

Year	December 20, 2012	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015
Common Shares <sup>(1)</sup>	100.00	90.00	15.00	7.64	3.79
S&P/TSX Composite Index	100.00	100.55	113.62	125.61	114.53

Notes:

(3) Based on the trading price of the Common Shares on the TSX on December 20, 2012.

The share price performance trend illustrated within this chart does not necessarily reflect the trend in the Corporation's compensation to executive officers over the same time period. The share price valuation of gold producers, as well as

exploration and development companies, fluctuates with changes in the underlying commodity prices, and at no time during the period was compensation intended to reflect share price performance driven by externalities. Alignment with Shareholders is nonetheless achieved by awarding a significant portion of compensation in the form of long-term equity-based incentives.

### Summary Compensation Table

The following table provides information for the Last Financial Year, and financial years ended December 31, 2014 and December 31, 2013 regarding compensation earned by the Corporation's NEOs.

Name and principal position	Year Ended December 31 <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>John Burzynski</b> <sup>(2)</sup> <i>President &amp; CEO</i>	2015	90,000 <sup>(4)</sup>	Nil	767,544 <sup>(5)</sup>	Nil	Nil	Nil	19,533 <sup>(8)</sup>	877,077
	2014	Nil	Nil	47,300 <sup>(6)</sup>	Nil	Nil	Nil	30,000 <sup>(8)</sup>	77,300
	2013	Nil	Nil	Nil	Nil	Nil	Nil	30,000 <sup>(8)</sup>	30,000
<b>Jose Vizquerra Benavides</b> <sup>(3)</sup> <i>COO &amp; VP Corporate Development</i>	2015	257,496	Nil	361,197 <sup>(5)</sup>	256,250 <sup>(7)</sup>	Nil	Nil	Nil	874,943
	2014	256,250	Nil	570,871 <sup>(6)</sup>	Nil	Nil	Nil	Nil	827,121
	2013	125,000	Nil	Nil	Nil	Nil	Nil	Nil	125,000
<b>Blair Zaritsky</b> <i>CFO &amp; Corporate Secretary</i>	2015	213,344	Nil	270,897 <sup>(5)</sup>	205,000 <sup>(7)</sup>	Nil	Nil	Nil	689,241
	2014	205,000	Nil	171,261 <sup>(6)</sup>	Nil	Nil	Nil	Nil	376,261
	2013	100,000	Nil	Nil	Nil	Nil	Nil	Nil	100,000
<b>Gernot Wober</b> <i>VP, Exploration</i>	2015	216,821	Nil	270,897 <sup>(5)</sup>	215,250 <sup>(7)</sup>	Nil	Nil	Nil	702,968
	2014	215,250	Nil	171,261 <sup>(6)</sup>	Nil	Nil	Nil	Nil	386,511
	2013	105,000	Nil	Nil	Nil	Nil	Nil	Nil	105,000

Notes:

- (1) Messrs. Vizquerra, Zaritsky and Wober devoted 50% of their time to the Corporation and 50% to Oban Exploration Limited ("OEL") during the periods covered prior to April 14, 2014, after which time each such NEO devoted 100% of his time to the Corporation.
- (2) On August 25, 2015, John Burzynski became the President and CEO on such date. Prior to such date, Mr. Burzynski served as a director and Chairman of the Corporation.
- (3) On August 25, 2015, Jose Vizquerra changed positions from President and CEO to COO and Senior Vice President of Corporate Development.
- (4) Represents fees paid to Osisko Royalties in respect of Mr. Burzynski's services to the Corporation as President and CEO. See "Termination and Change of Control Benefits".
- (5) On August 27, 2015 the Corporation granted 850,000 Options to Mr. Burzynski, 400,000 Options to Mr. Vizquerra, 300,000 Options to Mr. Zaritsky and 300,000 Options to Mr. Wober with an expiry date of August 27, 2020 and an exercise price of \$1.20 per Common Share. The fair value of these Options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: five year expected term; 102.7% volatility; risk-free interest rate of 0.727% per annum; and a dividend yield of 0%.
- (6) On April 22, 2014 the Corporation granted 290,000 Options to Mr. Burzynski, 3,500,000 Options to Mr. Vizquerra, 1,050,000 Options to Mr. Zaritsky and 1,050,000 Options to Mr. Wober with an expiry date of April 22, 2019 and an exercise price of \$0.22 per Common Share. These Options were granted as replacements for the options that were cancelled in connection with the acquisition by the Corporation of OEL (the "OEL Acquisition"). One-third of the Options vested on the date of grant and the remaining thirds vested on each of the first and second anniversaries of April 22, 2014. The fair value of these Options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: five year expected term; 99.7% volatility; risk-free interest rate of 1.59% per annum; and a dividend yield of 0%. The fair value of the cancelled options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: five year expected term; 99.7% volatility; risk-free interest rate of 1.59%

per annum; and a dividend yield of 0%. The incremental fair value shown above is equal to the difference between the value of the Options granted and the value of the options that were cancelled. Additional information relating to the OEL Acquisition can be found in the Corporation's annual information form for the year ended December 31, 2015 (the "AIF"), and the Corporation's management information circular dated March 11, 2014, both of which are available under the Corporation's issuer profile on SEDAR at www.sedar.com.

- (7) Represents compensation under the Corporation's annual incentive plan, as further discussed under "Components of the Compensation Program – Annual Incentive Compensation".
- (8) Represents fees earned by Mr. Burzynski for his service as a director of the Corporation. Mr. Burzynski did not receive compensation in respect of his service as a director after August 25, 2015 as a result of being appointed President and CEO of the Corporation in connection with the completion of the Arrangement.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards outstanding for each NEO as of December 31, 2015.

#### Outstanding Share Awards and Option Awards

Name	Option-based Awards				Share-based Awards		
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out of distributed
John Burzynski	850,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
	14,500	4.40	April 21, 2019	Nil	N/A	N/A	N/A
Jose Vizquerra Benavides	400,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
	175,000	4.40	April 21, 2019	Nil	N/A	N/A	N/A
Blair Zaritsky	300,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
	52,500	4.40	April 21, 2019	Nil	N/A	N/A	N/A
Gernot Wober	300,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
	52,500	4.40	April 21, 2019	Nil	N/A	N/A	N/A

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on December 31, 2015 and the exercise price of the Options. The closing price of the Common Shares as listed on the TSX on December 31, 2015 was \$1.19.

The following table sets forth, for each of the NEOs, the value of all incentive plan awards that vested during the year ended December 31, 2015.

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

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Burzynski	Nil	N/A	N/A
Jose Vizquerra Benavides	Nil	N/A	N/A
Blair Zaritsky	Nil	N/A	N/A
Gernot Wober	Nil	N/A	N/A

Notes:

- (1) This is the aggregate dollar value that would have been realized if the Options vested during the year had been exercised on their respective vesting dates.

### **Pension Plan Benefits**

As at the date of this Circular, the Corporation does not have any pension plans.

### **Termination and Change of Control Benefits**

Pursuant to an agreement between the Corporation and John Burzynski dated effective as of September 1, 2015 (the "**Burzynski Agreement**"), the Corporation has agreed to pay to Osisko Royalties an annual amount equal to \$270,000 in respect of services provided by Mr. John Burzynski as President and CEO of the Corporation. In the event that the Burzynski Agreement is unilaterally terminated by the Corporation or in the event of a Change in Control (as defined below), the Corporation shall pay to Osisko Royalties a lump sum payment representing (i) all consultant fees accrued and owing by the Corporation to Osisko Royalties under the Burzynski Agreement, (ii) two years of service fees, and (iii) two times the average of any bonus paid by the Corporation to Osisko Royalties in respect of Mr. Burzynski's services in the two years most recently completed and bonus determinations having been made in relation thereto prior to termination of the Burzynski Agreement; provided, however, that Osisko Royalties shall not be entitled to this right in relation to any transaction resulting in a Change in Control which is instigated by the Corporation and pursuant to which Mr. Burzynski continues to be engaged by the Corporation in substantially the same office and on substantially the same terms as prior to the transaction. Any Options that would automatically vest during said period shall vest to the benefit of Mr. Burzynski and any Options so vested shall be exercised within the earlier of (i) the date of expiry and (ii) thirty (30) days after the end of the twenty-four (24) month period from the date of termination of the Burzynski Agreement, or the maximum period permitted by applicable rules and regulations if thirty (30) days after the end of the twenty-four (24) month period from the date of termination of the Burzynski Agreement is not permitted.

"**Change in Control**" means the occurrence of any one or more of the following events: (i) the Corporation is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation); (ii) the Corporation sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Corporation); (iii) the Corporation is to be dissolved and liquidated; (iv) any person, entity or group of persons, or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 30% of the Corporation's outstanding voting securities; or (v) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the Board.

Pursuant to an employment agreement between the Corporation and Jose Vizquerra Benavides dated April 2, 2012 and entered into when the Corporation was a private company, in the event that Mr. Vizquerra's employment is terminated by the Corporation without cause, the Corporation shall pay to Mr. Vizquerra (a) all earned and unpaid base salary and all vacation pay accrued and owing; (b) twenty-four (24) months' salary ("salary" shall mean the per annum salary in effect at the time of such termination); and (c) an amount equal to two times the average of any bonus paid in the two years most recently completed and bonus determinations having been made in relation thereto prior to termination of Mr. Vizquerra. The Corporation, during said severance period as determined by operation of this clause, shall to the greatest extent possible maintain any health, medical disability and life insurance coverage, or in the alternative shall compensate Mr. Vizquerra the cost of alternative comparative coverage obtained to replace said coverage. Any Options that would automatically vest during said period shall vest to the benefit of Mr. Vizquerra and any Options so vested shall be exercised within the earlier of (i) the date of expiry and (ii) thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Vizquerra's termination, or the maximum period permitted by applicable rules and regulations if thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Vizquerra's termination is not permitted. In addition, in the event of a Change in Control (as defined above), Mr. Vizquerra shall have the right, for a period of 120 days, to terminate his employment and become entitled to the termination rights summarized above; provided, however, that Mr. Vizquerra has irrevocably waived this right in relation to any transaction resulting in a Change in Control which is instigated by the Corporation and pursuant to which Mr. Vizquerra continues to be employed by the Corporation in substantially the same office and on substantially the same terms as prior to the transaction.

Pursuant to an employment agreement between the Corporation and Blair Zaritsky dated April 2, 2012 and entered into when the Corporation was a private company, in the event that Mr. Zaritsky's employment is terminated by the Corporation without cause, the Corporation shall pay to Mr. Zaritsky (a) all earned and unpaid base salary and all vacation pay accrued and owing; (b) twenty-four (24) months' salary ("salary" shall mean the per annum salary in effect at the time of such termination); and (c) an amount equal to two times the average of any bonus paid in the two years most recently completed and bonus determinations having been made in relation thereto prior to termination of Mr. Zaritsky. The Corporation, during said severance period as determined by operation of this clause, shall to the greatest extent possible maintain any health, medical disability and life insurance coverage, or in the alternative shall compensate Mr. Zaritsky the cost of alternative comparative coverage obtained to replace said coverage. Any Options that would automatically vest during said period shall vest to the benefit of Mr. Zaritsky and any Options so vested shall be exercised within the earlier of (i) the date of expiry and (ii) thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Zaritsky's termination, or the maximum period permitted by applicable rules and regulations if thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Zaritsky's termination is not permitted. In addition, in the event of a Change in Control (as defined above), Mr. Zaritsky shall have the right, for a period of 120 days, to terminate his employment and become entitled to the termination rights summarized above; provided, however, that Mr. Zaritsky has irrevocably waived this right in relation to any transaction resulting in a Change in Control which is instigated by the Corporation and pursuant to which Mr. Zaritsky continues to be employed by the Corporation in substantially the same office and on substantially the same terms as prior to the transaction.

Pursuant to an employment agreement between the Corporation and Gernot Wober dated April 2, 2012 and entered into when the Corporation was a private company, in the event that Mr. Wober's employment is terminated by the Corporation without cause, the Corporation shall pay to Mr. Wober (a) all earned and unpaid base salary and all vacation pay accrued and owing; (b) twenty-four (24) months' salary ("salary" shall mean the per annum salary in effect at the time of such termination); and (c) an amount equal to two times the average of any bonus paid in the two years most recently completed and bonus determinations having been made in relation thereto prior to termination of Mr. Wober. The Corporation, during said severance period as determined by operation of this clause, shall to the greatest extent possible maintain any health, medical disability and life insurance coverage, or in the alternative shall compensate Mr. Wober the cost of alternative comparative coverage obtained to replace said coverage. Any Options that would automatically vest during said period shall vest to the benefit of Mr. Wober and any Options so vested shall be exercised within the earlier of (i) the date of expiry and (ii) thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Wober's termination, or the maximum period permitted by applicable rules and regulations if thirty (30) days after the end of the twenty-four (24) month period from the date of Mr. Wober's termination is not permitted. In addition, in the event of a Change in Control (as defined above), Mr. Wober shall have the right, for a period of 120 days, to terminate his employment and become entitled to the termination rights summarized above; provided, however, that Mr. Wober has irrevocably waived this right in relation to any transaction resulting in a Change in Control which is instigated by the Corporation and pursuant to which Mr. Wober continues to be employed by the Corporation in substantially the same office and on substantially the same terms as prior to the transaction.

The following shows the estimated incremental payments that would be payable to each of the NEOs of the Corporation in the event of a change of control or termination without cause of such NEOs on December 31, 2015.

Name	Estimated Change of Control Payment	Estimated Termination Without Cause Payment
John Burzynski	\$540,000	\$540,000
Jose Vizquerra Benavides	\$520,000	\$520,000
Blair Zaritsky	\$460,000	\$460,000
Gernot Wober	\$440,000	\$440,000

Upon closing of the Arrangement, critical senior executives employed by the Corporation were entitled change of control payments by the Corporation. However, each of the officers of the Corporation waived their change of control rights.

## Director Compensation

The Board determines the level of compensation for directors, based on recommendations from the Compensation Committee. The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. During the Last Financial Year, the Board established a cash compensation program for its directors with respect to general directors' duties, meeting attendance or for additional service on Board committees. The Board determined, based on recommendations by the Compensation Committee, to provide \$35,000 in annual cash compensation to each member of the Board, an additional \$15,000 for the Co-Chairs of the Board of Directors and \$10,000 to the Chairs of the Audit Committee, CG&N Committee, Compensation Committee and HSE&CSR Committee. The Board members also receive an additional \$5,000 of annual compensation for each committee they sit on.

Directors may receive Option grants as determined by the Board pursuant to the Option Plan. The exercise price of such Options is determined by the Board, but shall in no event be less than the market price of the Common Shares at the time of the grant of the Options, less any permissible discounts pursuant to the Option Plan and the policies of the TSX.

### Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors, other than John Burzynski and Jose Vizquerra Benavides, during the financial year ended December 31, 2015. Compensation for Mr. Burzynski and Mr. Benavides is fully reflected under the heading "*Executive Compensation – Summary Compensation Table*".

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ned Goodman <sup>(2)</sup>	17,445	Nil	226,018	N/A	N/A	Nil	243,463
Sean Roosen <sup>(2)</sup>	19,190	Nil	226,018	N/A	N/A	Nil	245,208
Murray John <sup>(2)</sup>	13,956	Nil	226,018	N/A	N/A	Nil	239,974
David Christie <sup>(2)</sup>	17,445	Nil	226,018	N/A	N/A	Nil	243,463
Patrick Anderson	28,723	Nil	226,018	N/A	N/A	Nil	254,741
Keith McKay	40,467	Nil	226,018	N/A	N/A	Nil	266,485
Robert Wares	30,467	Nil	226,018	N/A	N/A	Nil	256,485
Bernardo Calderon	33,956	Nil	226,018	N/A	N/A	Nil	259,974

Notes:

- (1) On August 27, 2015 the Corporation granted 250,000 Options to all directors of the Corporation with an expiry date of August 27, 2020 and an exercise price of \$1.20 per Common Share. The fair value of these Options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: five year expected term; 102.7% volatility; risk-free interest rate of 0.727% per annum; and a dividend yield of 0%.
- (2) Mr. Goodman, Mr. Roosen, Mr. John and Mr. Christie were appointed as a directors of the Corporation effective August 25, 2015.
- (3) John Burzynski did not receive compensation after August 25, 2015 as a result of becoming the President and CEO of the Corporation. Mr. Burzynski's compensation is disclosed under "*Summary Compensation Table*".

## Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director, other than John Burzynski and Jose Vizquerra Benavides, outstanding as of December 31, 2015.

**Outstanding Share Awards and Options Awards**

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 <sup>(1)</sup> (\$)	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 of distributed
Ned Goodman <sup>(2)</sup>	250,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
Sean Roosen <sup>(2)</sup>	250,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
Murray John <sup>(2)</sup>	250,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
David Christie <sup>(2)</sup>	250,000	1.20	August 27, 2020	Nil	N/A	N/A	N/A
Patrick Anderson	250,000 12,500	1.20 4.40	August 27, 2020 April 21, 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Keith McKay	250,000 12,500	1.20 4.40	August 27, 2020 April 21, 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A
Robert Wares	250,000 12,500	1.20 4.40	August 27, 2020 April 21, 2019	Nil Nil	N/A N/A	N/A	N/A
Bernardo Calderon	250,000 12,500	1.20 4.40	August 27, 2020 April 21, 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on December 31, 2015 and the exercise price of the Options. The closing price of the Common Shares as listed on the TSX on December 31, 2015 was \$1.19.
- (2) Mr. Goodman, Mr. Roosen, Mr. John and Mr. Christie were appointed as a directors of the Corporation effective August 25, 2015.

The following table provides information regarding the value vested or earned on incentive plan awards for each director, other than John Burzynski and Jose Vizquerra Benavides, during the year ended December 31, 2015.

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

Name	Option awards - Value vested during year <sup>(1)</sup> (\$)	Share awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Ned Goodman <sup>(2)</sup>	Nil	N/A	Nil
Sean Roosen <sup>(2)</sup>	Nil	N/A	Nil
Murray John <sup>(2)</sup>	Nil	N/A	Nil
David Christie <sup>(2)</sup>	Nil	N/A	Nil
Patrick Anderson	Nil	N/A	Nil
Keith McKay	Nil	N/A	Nil
Robert Wares	Nil	N/A	Nil
Bernardo Calderon	Nil	N/A	Nil

Notes:

- (1) This is the aggregate dollar value that would have been realized if the Options vested during the year had been exercised on their respective vesting dates.

- (2) Mr. Goodman, Mr. Roosen, Mr. John and Mr. Christie were appointed as a directors of the Corporation effective August 25, 2015.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Stock Option Plan

The Option Plan is the Corporation's only equity compensation plan. The Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance. The purpose of the Option Plan is to attract, retain and motivate persons as directors, officers, employees and consultants of the Corporation and any subsidiaries (hereinafter "**Optionees**"), and to advance the interests of the Corporation by providing such persons with the opportunity, through Options, to acquire an increased proprietary interest in the Corporation.

The following information is intended to be a brief description and summary of the material features of the Option Plan. The full text of the Option Plan is attached hereto as Schedule "B".

The maximum aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis). As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly. The Option Plan is considered an "evergreen" plan, since the Common Shares covered by Options which have been exercised shall be available for subsequent grants under the Option Plan, and the number of Options available to grant increases as the number of issued and outstanding Common Shares increases.

1. Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time, provided and to the extent that such decisions are approved by the Board. Subject to the provisions of the Option Plan, the number of Common Shares subject to each Option, the Option Price (as defined in the Option Plan), the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term thereof, and other terms and conditions relating to each such Option, shall be determined by the Board. At no time shall the period during which an Option is exercisable exceed five years, and the Option Price shall in no circumstances be lower than the market price (being the closing price of the shares of the Corporation on the TSX) of the Common Shares. Options cannot be assigned or transferred.
2. The maximum number of Common Shares which may be issued to any one Optionee under the Option Plan together with any Share Compensation Arrangement (as defined in the Option Plan) in any 12 month period shall not exceed 5% of the number of Common Shares outstanding (on a non-diluted basis) from time to time, unless disinterested Shareholder approval is obtained pursuant to the policies of the TSX or any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation.
3. The maximum number of Common Shares which may issuable to all Insiders (as defined in the Option Plan) at any time under this Option Plan together with any other Share Compensation Arrangement shall not exceed 10% of the Common Shares outstanding (on a non-diluted basis) from time to time. The number of Common Shares issued to Insiders within any one year period pursuant to all of the Corporation's Share Compensation Arrangements shall not exceed 10% of the number of outstanding Common Shares on a non-diluted basis.
4. Options granted to any director, officer, employee or consultant must expire within 90 days after such person ceases to be in at least one of those categories (or within 30 days for an investor relations employee), or such longer period as may be determined by the Board, provided that such extension shall not be granted beyond the original expiry date of the Option. Options shall not be affected by any change of employment or status of the Optionee where the Optionee remains eligible for participation in the Option Plan.
5. In the event of certain transactions affecting the ownership or assets of the Corporation, Optionees shall, upon notice from the Corporation, be entitled to exercise their Options to the full amount of the Common Shares remaining at that time during the period provided by the notice (but in no event later than the expiry date of the Option).

6. In the event that no specific determination is made by the Board, any Options granted shall vest on the date of the grant, subject to limited exceptions.
  
7. The board of directors may amend the Option Plan at any time, and without Shareholder approval, provided however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee without the consent of the Optionee, except to the extent required by law. Any such amendment shall be subject to the receipt of requisite regulatory approval including, without limitation, the approval of any stock exchange upon which the shares may trade from time to time, provided, however, that no such amendment may: (i) increase the maximum number of Common Shares that may be optioned under the Option Plan; (ii) change the manner of determining the minimum exercise price; or (iii) effect a reduction in the exercise price or extension of the term of any Options granted to an insider of the Corporation, unless Shareholder and regulatory approval is obtained. Any amendments to the terms of an Option under the Option Plan shall also require regulatory approval, including without limitation, the approval of any stock exchange upon which the shares may trade from time to time. For greater certainty, the board of directors may make the following amendments without seeking the approval of the Shareholders:
  - (a) amendments to the Option Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty;
  - (b) amendments to the vesting provisions of a security or the Option Plan;
  - (c) amendments to the termination provisions of a security or the Option Plan which does not entail an extension beyond the original expiry date thereof;
  - (d) amendments to the exercise price (so long as any reduction does not cause the exercise price to go below the market price of the Common Shares (as defined in the Option Plan) (unless such amendment would benefit "insiders" as defined in the *Securities Act* (Ontario)); and
  - (e) the inclusion of cashless exercise provisions in the Option Plan or in any option granted thereunder, which provide for a full deduction of the number of underlying securities from the Option Plan reserve.
  
8. Except where not permitted by the TSX, if an Option expiration date falls within a Black-Out Period (as defined in the Option Plan) or within ten business days of the end of a Black-Out Period, the term of such Option shall be extended to the date which is ten business days following the end of such Black-Out Period.

### Equity Compensation Plan Information

The following table provides details of the equity securities of the Corporation authorized for issuance as of the financial year ended December 31, 2015 pursuant to the Option Plan currently in place.

Option Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (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)) <sup>(1)</sup>
Equity compensation plans approved by securityholders	4,869,500	\$1.42	999,920
Equity compensation plans not approved by securityholders <sup>(2)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>4,869,500<sup>(3)</sup></b>	<b>\$1.42</b>	<b>999,920</b>

Notes:

- (1) Based on a total of 5,869,420 Options issuable pursuant to the Option Plan representing 10% of the Corporation's issued and outstanding share capital of 58,694,202 Common Shares as at December 31, 2015.
- (2) Stock option plans and other security based compensation arrangements which have been adopted prior to an issuer listing on TSX and are in effect upon listing on the TSX must be in compliance with TSX requirements. However, such arrangements do not need to be approved by the security holders at the time of listing on the TSX. Within three years after institution, and within every three years thereafter, listed issuers must obtain security holder approval for rolling stock option plans in order to continue to grant awards.
- (3) As at December 31, 2015, the Corporation had 4,869,500 Options issued and outstanding representing approximately 8.30% of the issued and outstanding Common Shares with a total of 999,920 Options available for future issuance under the Option Plan.

## **BUSINESS OF THE MEETING**

### **Financial Statements**

The Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2015, together with the auditor's report thereon.

### **Appointment of Auditors**

PricewaterhouseCoopers LLP, Chartered Accountants ("**PwC**") are the independent registered certified auditors of the Corporation. PwC were first appointed auditors of the Corporation on December 14, 2015.

**Unless the Shareholder has specifically instructed in the form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the re-appointment of PwC as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

### **Election of Directors**

The Corporation's articles provide that the Board consist of a minimum of three (3) and a maximum of ten (10) directors. At the Meeting, the following ten (10) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

### ***Majority Voting for Directors***

The Board has adopted a policy requiring that, in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender a resignation to the Chairman of the Board promptly following the Meeting. The Compensation Committee will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. The nominee will not participate in any Compensation Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

### ***Nominees***

The following table sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by them.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

Name, Province or State and Country of Residence	Director Since	Present Principal Occupation and Positions Held during the Preceding Five Years	Number of Common Shares beneficially owned or controlled, directly or indirectly <sup>(1)</sup>
John Burzynski Ontario, Canada	February 2010	Currently, President and CEO of the Corporation since August 2015 and Senior Vice President, New Business Development of Osisko Gold Royalties Ltd since June 2014; formerly, Vice President, Corporate Development, Osisko Mining Corporation.	1,745,568
Jose Vizquerra Ontario, Canada	December 2011	Currently, Senior Vice President and COO of the Corporation; formerly, President and CEO of the Corporation; President and CEO of Oban Exploration Limited; Head of Project Evaluations, Cia. de Minas Buenaventura S.A.A; Exploration Geologist, Goldcorp Canada Ltd.	122,752
Sean Roosen <sup>(2)(3)(5)</sup> Québec, Canada	August 2015	Currently, Chair and CEO, Osisko Gold Royalties Ltd; formerly, President and CEO, Osisko Mining Corporation.	1,016,266
Ned Goodman <sup>(4)(5)</sup> Ontario, Canada	August 2015	Founder and formerly, President and CEO, Dundee Corporation.	438,728
Robert Wares <sup>(4)</sup> Québec, Canada	January 2013	Currently, Chief Geologist, Osisko Gold Royalties Ltd; President and Director, Ordre des Géologues du Québec; formerly, President and CEO, NioGold Mining Corporation; Senior Vice President, Exploration and Resource Development, Osisko Mining Corporation.	502,550
Patrick F.N. Anderson <sup>(1)(3)</sup> Ontario, Canada	August 2012	Currently, CEO, Dalradian Resources Inc.; formerly, President and CEO, Aurelian Resources Inc.	Nil
Keith McKay <sup>(1)(2)(3)</sup> Ontario, Canada	August 2012	Currently, CFO, Dalradian Resources Inc.; formerly, CFO, Continental Gold Limited; CFO, Andina Minerals Inc.; Vice President and CFO, Aurelian Resources Inc.	5,000
Murray John <sup>(1)(4)(5)</sup> Ontario, Canada	August 2015	Retired. Formerly, President and CEO of Dundee Resources Limited; Managing Director and Portfolio Manager, Goodman & Company, Investment Counsel Inc.; President and CEO, Corona Gold Corporation; President and CEO, Ryan Gold Corp.	750,000
David Christie <sup>(4)(5)</sup> Ontario, Canada	August 2015	Currently, Vice President, Goodman & Company, Investment Counsel Inc. since October 2012; Vice President, Dundee Resources Limited; formerly, President and CEO, Eagle Hill Exploration Corporation; President, Bellotti Goodman Inc.	157,750
Bernardo Alvarez Calderon <sup>(1)(2)(3)</sup> Lima, Peru	April 2014	President and CEO, Analytica Mineral Services.	15,233

Notes:

- (1) Member of the Corporate Governance and Nominating Committee. Mr. Anderson is the Chair.
- (2) Member of the Audit Committee. Mr. McKay is the Chair.
- (3) Member of the Compensation Committee. Mr. Calderon is the Chair.
- (4) Member of the Health, Safety & Environment and Corporate Social Responsibility Committee. Mr. Christie is the Chair.

(5) Was appointed as a director on August 25, 2015 on completion of the Arrangement.

As a group, the current and proposed directors beneficially own, control or direct, directly or indirectly, 4,753,847 Common Shares, representing approximately 3.7% of the issued and outstanding Common Shares.

***Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

Other than as set out below, no individual set forth in the above table, nor any personal holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such individual; or
- (c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Murray John, a director of the Corporation, is a director of African Minerals Limited, a company incorporated in Bermuda that appointed an insolvency administrator in March 2015. African Minerals Limited was formerly listed on the London Stock Exchange ("**AIM**").

Certain of the officers and directors of the Corporation also serve as directors and/or officers of other companies involved in the mineral exploration and development business, and consequently there exists the possibility for such officers or directors to be in a position of conflict. Any decision made by any such officers or directors involving the Corporation will be made in accordance with their duties and obligations under the laws of the Province of Ontario and Canada.

## Approval of Name Change

At the Meeting, the holders of Common Shares will be asked to consider and, if thought advisable, to approve a special resolution in the form set out below to change the name of the Corporation from "Oban Mining Corporation" to "Osisko Mining Inc." and, in French, "Minière Osisko inc." The Corporation is seeking to adopt the name "Osisko Mining Inc." to re-brand the Corporation as a result of its evolution since the beginning of 2015 as a result of its recent consolidation activities in Ontario and Quebec. The original Osisko Mining Corporation earned international recognition and respect in large part due to the successes of its exploration and development team – a team that included several current members of the Corporation's board and senior management – crowned by the discovery, development and operation of the Canadian Malartic mine in the Abitibi region of north-western Quebec over several years beginning in 2004 until the joint acquisition of Osisko Mining Corporation by Agnico Eagle Mines Limited and Yamana Gold Inc. in June 2014. The Corporation wishes to reintroduce the Osisko Mining name to the mining and investment communities to better reflect the Corporation's current mineral project portfolio and to continue the fulfilment both of the Corporation's potential and its commitments to all of its stakeholders.

The Corporation has notified the TSX of the proposed change of name. Subject to shareholder and TSX approval of the change of name, it is expected that the Common Shares will commence trading on the TSX under the new name and under the new stock symbol "OSK" at the opening of business two or three days subsequent to the effecting of the name change by the Corporation, subject to the receipt by the TSX of the necessary documentation. The Board may determine not to implement the name change at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment, without further action on the part of the Shareholders. Following the name change, share certificates of "Oban Mining Corporation" will remain valid and Shareholders will not be required to surrender and exchange their share certificates for share certificates with the new name of the Company. The name change will not, by itself, affect any of the rights of Shareholders.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, the following special resolution (the "**Name Change Resolution**"):

### **"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Corporation is authorized to file articles of amendment pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") to change its name from "Oban Mining Corporation" to "Osisko Mining Inc.", or such other name that the board of directors of the Corporation (the "**Board**") deems appropriate and as may be approved by the regulatory authorities (including the Toronto Stock Exchange), if the Board considers it to be in the best interests of the Corporation to implement such a name change;
2. any director or officer of the Corporation be and is hereby authorized and directed to execute and deliver, or cause to be delivered, articles of amendment pursuant to the OBCA, and to do and perform all such acts and things, sign such documents and take all such other steps as, in the opinion of such director or officer, may be considered necessary or desirable to carry out the purpose and intent of this resolution;
3. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Board is hereby authorized and empowered, if it decides not to proceed with the Name Change Resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders of the Corporation; and
4. any director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

To be effective, the Name Change Resolution must be approved by at least two-thirds of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting in accordance with the provisions of the OBCA.

**The Board unanimously recommends that Shareholders vote in favour of the Name Change Resolution. Unless the Shareholder has specifically instructed in the form of proxy that the Common Shares represented by such proxy are to be voted otherwise, the persons named in the accompanying proxy will vote FOR the approval of the Name Change Resolution.**

#### **Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **STATEMENT OF CORPORATE GOVERNANCE**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level. The Board has adopted the Code of Conduct to encourage and promote a culture of ethical business conduct amongst the directors, officers, employees and consultants of the Corporation. The Code of Conduct is available under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). See "*Statement of Corporate Governance – Ethical Business Conduct*".

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, and advocating awareness of the guidelines and policies detailed in the Code of Conduct. Through its meetings with management and other informal discussions with management, the Board believes the Corporation's management team likewise promotes and encourages a culture of ethical business conduct throughout the Corporation's operations, and the management team is expected to monitor the activities of the Corporation's employees, consultants and agents in that regard.

#### **Board of Directors**

NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship which could be, in the view of the board of directors of a company, reasonably expected to interfere with the exercise of a member's independent judgment.

The Board believes that it functions independently of management, and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"), the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance. During the Last Financial Year, the Board held Nil meetings at which non-independent directors and members of management were not in attendance.

The Board is currently comprised of ten directors, a majority of whom are independent directors. John Burzynski and Jose Vizquerra Benavides are not independent as they are officers of the Corporation. Prior to the completion of the Arrangement, Messrs. John and Christie served as the President and CEO of Corona and President and CEO of Eagle Hill, respectively. Messrs. John and Christie are not considered to be independent directors of the Corporation as a result of having served as executive officers of subsidiaries of the Corporation within the last three years. Messrs. Goodman, Roosen, Anderson, McKay, Wares and Calderon are considered to be independent within the meaning of NI 58-101.

***Other Public Company Directorships***

The following members of the Board currently hold directorships with other reporting issuers as set forth below.

<b>Name of Director</b>	<b>Name of Reporting Issuers</b>	<b>Markets</b>
John Burzynski	Condor Petroleum Inc. Osisko Gold Royalties Ltd Strongbow Exploration Inc.	TSX TSX TSX-V
Jose Vizquerra Benavides	Timmins Gold Corp. BonTerra Resources Inc. Palamina Corp.	TSX TSX-V TSX-V
Ned Goodman	DREAM Unlimited Corp. Dundee Corporation Dundee Acquisition Ltd. Dundee Sustainable Technologies Inc. Goodman Gold Trust Excellon Resources Inc. Rockland Minerals Corp.	TSX TSX TSX CSE TSX TSX-V TSX-V
Sean Roosen	Osisko Gold Royalties Ltd Astur Gold Corporation Barkerville Gold Mines Ltd. Condor Petroleum Inc. Dalradian Resources Inc. Falco Resources Ltd.	TSX TSX-V TSX-V TSX-V TSX TSX-V
David Christie	Formation Metals Inc.	TSX
Patrick F.N. Anderson	Dalradian Resources Inc.	TSX
Murray John	Dundee Precious Metals Inc.	TSX
Robert Wares	Arizona Mining Inc. Bowmore Exploration Ltd. Komet Resources Inc.	TSX TSX-V TSX-V

***Meetings of the Board***

The Board held nine (9) meetings during the year ended December 31, 2015. The members of the Board and their attendance are set forth in the table below. The independent directors make it a practice to hold an in-camera session at every Board meeting or shortly thereafter and held nine (9) such meetings during the 2015 year.

<b>Name of Director</b>	<b>Independent<sup>(1)</sup></b>	<b>Meeting Attendance</b>
John Burzynski	No	9/9
Jose Vizquerra Benavides	No	9/9
Sean Roosen <sup>(2)</sup>	Yes	3/3
Ned Goodman <sup>(2)</sup>	Yes	2/3
Murray John <sup>(2)</sup>	No	3/3
David Christie <sup>(2)</sup>	No	3/3
Patrick Anderson	Yes	7/9
Keith McKay	Yes	9/9
Robert Wares	Yes	6/9
Bernardo Calderon	Yes	8/9

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect or "material relationship" with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) Was appointed as a director on August 25, 2015 on completion of the Arrangement.

## **Board Mandate**

The Board has adopted a written Board mandate pursuant to which the Board assumes responsibility for the stewardship of the Corporation. The Board mandate is attached hereto as Schedule "A". The Board's primary responsibility is to develop and adopt the strategic direction of the Corporation and to, at least annually, review and approve a strategic plan as developed and proposed by management, which takes into account the business opportunities and risks of the Corporation. The Board is responsible for reviewing and approving the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures. The Board is also responsible for, among other things: (i) monitoring corporate performance against the strategic and business plans; (ii) identifying principal business risks and implementing appropriate systems to manage such risks; (iii) monitoring and ensuring internal control and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and management's discussion and analysis; (vi) reviewing compensation of the members of the Board; (vii) reviewing and approving material transactions and annual budgets; (viii) developing the Corporation's approach to corporate governance; and (ix) assessing its own effectiveness in fulfilling its mandate.

The Board's mandate sets forth procedures relating to the Board's operations such as the size of Board and selection process, director qualifications, director orientation and continuing education, meetings and committees, evaluations, compensation and access to independent advisors. Pursuant to the Board's mandate, the Board is required to hold at minimum four scheduled meetings per year and directors are expected to make reasonable efforts to attend all meetings of the Board held in any given year.

## **Audit Committee Information**

The Audit Committee is comprised of Keith McKay (Chair), Sean Roosen and Bernardo Calderon. Additional information regarding the Audit Committee is contained in the AIF under the heading "*Audit Committee*" and a copy of the charter of the Audit Committee is attached to the AIF as Schedule "A". The AIF is available under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Nomination of Directors**

The Board, the Corporate Governance & Nomination Committee (the "**CG&N Committee**") and the individual directors hold the responsibility for the nomination and assessment of new directors. The Board seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When presenting Shareholders with a slate of nominees for election, the Board considers the following:

- the competencies and skills necessary for the Board as a whole to possess;
- the competencies and skills necessary for each individual director to possess;
- competencies and skills which each new nominee to the Board is expected to bring; and
- whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

The Board also recommends the number of directors on the Board to Shareholders for approval, subject to compliance with the requirements of the *Business Corporations Act* (Ontario) (the "**OBCA**") and the Corporation's articles and by-laws. Between annual Shareholder meetings, the Board may appoint directors to serve until the next annual Shareholder meeting, subject to compliance with the requirements of the OBCA. Individual directors are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, Shareholders or other persons. These candidates will be evaluated at a regular or special meeting of the Board, and may be considered at any point during the year.

### **Corporate Governance and Nomination Committee**

The CG&N Committee assists the Board with respect to corporate governance and director nomination matters. The CG&N Committee is currently comprised of Patrick Anderson (Chair), Bernardo Calderon, Murray John and Keith McKay.

The CG&N Committee's responsibilities include:

- (a) recommending suitable candidates for nominees for election or appointment as directors and specifying the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors, form the basis of each recommendation;
- (b) maintaining an overview of the entire membership of the Board ensuring that qualifications required under any applicable laws are maintained and advising the Chairman on the disposition of a tender of resignation which a director is expected to offer:
  - 1. when such director does not meet the eligibility rules under the conflict of interest guidelines; or
  - 2. when the credentials underlying the appointment of such director change;
- (c) reviewing annually the credentials of nominees for re-election to be named for re-election considering: (i) an evaluation of the effectiveness of the Board and the performance of each director; (ii) the continuing validity of the credentials underlying the appointment of each director; and (iii) continuing compliance with the eligibility rules under the conflict of interest guidelines;
- (d) whenever considered appropriate, directing the Chairman and/or lead director, if any, to advise each candidate prior to the appointment of the credentials underlying the recommendation of the candidate's appointment;
- (e) recommending to the Board at the annual meeting of the Directors, the allocation of Board members to each of the Board committees and, where a vacancy occurs at any time in the membership of any Board committee, recommend to the Board a member to fill such vacancy;
- (f) having sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve fees and other terms of the retention;
- (g) annually assessing the performance of the Board, its committees and Board members and making recommendations to the Board; and
- (h) monitoring on a continuing basis and, whenever considered appropriate, making recommendations to the Board concerning the corporate governance of the Corporation, including: (i) reviewing at least annually the corporate governance practices and recommend appropriate policies, practices and procedures; (ii) reviewing at least annually the adequacy and effectiveness of the Board of Directors' governance policies and make appropriate recommendations for their improvement; (iii) reviewing the corporate governance sections of the Corporation's management information circular distributed to shareholders, including the statement of corporate governance practices; and (iv) assessing shareholder proposals as necessary for inclusion in the Corporation's management information circular, and making appropriate recommendations to the Board.

The CG&N Committee's responsibilities also include:

- (i) unless otherwise delegated to another committee by the Board, approving all transactions involving the Corporation and "related parties" as that term is defined in Multilateral Instrument 61-101 (collectively, "**Related Party Transactions**");
- (j) unless otherwise delegated to another committee by the Board, monitoring any Related Party Transactions and report to the Board on a regular basis regarding the nature and extent of the Related Party Transactions;
- (k) establishing guidelines and parameters within which the Corporation and its subsidiaries shall be entitled to engage in Related Party Transactions without specific prior approval of the Committee;
- (l) implementing structures from time to time to ensure that the directors can function independently of management;
- (m) providing an appropriate orientation program for new directors and continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current;
- (n) responding to requests by, and if appropriate, authorizing, individual directors to engage outside advisors at the expense of the Corporation;
- (o) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the directors and individual directors based upon: (i) for directors and committee members, the mandate of the Board and charters of the appropriate committees, respectively; and (ii) for individual directors, their respective position descriptions (if any) as well as the skills and competencies which directors are expected to bring to the Board;
- (p) considering on a regular basis the number of directors of the Corporation, having in mind the competencies required on the Board as a whole;
- (q) overseeing and monitoring any litigation, claim, or regulatory investigation or proceeding involving the Corporation;
- (r) develop an annual work plan that ensure that the CG&N Committee carries out its responsibilities.
- (s) implementing, as well as periodically reviewing, assessing and updating, the corporate disclosure and insider trading policy of the Corporation, including: (i) the appointment and monitoring of any disclosure committee established thereunder; and (ii) periodically evaluating the effectiveness of the Corporation's disclosure controls and procedures, including but not limited to, assessing the adequacy of the controls and procedures in place.

### **Compensation Committee**

The Compensation Committee reviews the compensation of the directors and senior officers. The Compensation Committee reviews and makes recommendations to the Board regarding the granting of Options to directors and senior officers, compensation for senior officers, and directors' fees, if any, from time to time. The Compensation Committee is currently comprised of Bernardo Calderon (Chair), Sean Roosen, Patrick Anderson and Keith McKay, all of whom are independent within the meaning of NI 58-101 and all of whom the Board believes have direct and indirect expertise, experience and education relevant to their role as members thereof.

The Compensation Committee's responsibilities are as follows:

- (a) annually reviewing, approving and recommending to the Board for approval the remuneration of the senior executives of the Corporation, namely, any executives in the offices of Chief Executive Officer, President, Vice-Presidents, Chief Financial Officer and any senior executives of the Corporation having comparable positions as may be specified by the Board (collectively, the "**Senior Executives**"). The remuneration of the Senior Executives other than the Chief Executive Officer shall be subject to review by the Compensation Committee in consultation with the Chief Executive Officer;
- (b) reviewing the Chief Executive Officer's goals and objectives for the upcoming year and to provide an appraisal of the Chief Executive Officer's performance at the end of the year;
- (c) meeting with the Chief Executive Officer to discuss goals and objectives of other Senior Executives, their compensation and performance;
- (d) reviewing and recommending to the Board for approval any special employment contracts including employment offers, retiring allowance agreements or any agreement to take effect in the event of termination or change in control affecting any Senior Executives;
- (e) having sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- (f) reviewing and recommending to the Board for its approval the remuneration of directors and to develop and submit to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans. The Compensation Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation;
- (g) reviewing on an annual basis the remuneration policies of the Corporation, including the total remuneration (including benefits) and the main components thereof for the directors and Senior Executives, and to compare such remuneration policies with the remuneration practices of peers in the same industry. The Compensation Committee may employ independent experts periodically as determined necessary to review remuneration policies for directors and Senior Executives;
- (h) reviewing periodically bonus plans and the stock option plan and consider these in light of new trends and practices of peers in the same industry;
- (i) reviewing and recommending to the Board for its approval the disclosure relating to executive compensation required in any management information circular of the Corporation;
- (j) together with the Board, providing a comprehensive orientation and education program for new directors which fully sets out: (i) the role of the Board and its committees; (ii) the nature and operation of the business of the Corporation; and (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments;
- (k) subject to the powers of the Board, shareholder approval of all stock option plans and receipt of all necessary regulatory approvals, determining those directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans; determining the number of shares of the Corporation allocated to each participant under such plan; determining the time or times when ownership of such shares will vest for each participant; and administering all matters relating to any long term incentive plan and any employee bonus plan to which the Compensation Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board;
- (l) determining annually the Chief Executive Officer's entitlement to be paid a bonus under any employee bonus plan;

- (m) retaining for itself, or to approve the retention by any director of, outside advisors at the expense of the Corporation; and
- (n) adopting such policies and procedures as it deems appropriate to operate effectively.

For additional information, please also see *"Executive Compensation"*.

### **Health, Safety & Environment and Corporate Social Responsibility Committee**

In addition to the Audit Committee, the CG&N Committee and the Compensation Committee, the Board also has a health, safety & environment and corporate social responsibility committee (the "**HSE&CSR Committee**"). The HSE&CSR Committee is currently comprised of David Christie (Chair), Ned Goodman, Robert Wares and Murray John.

The HSE&CSR Committee is tasked with the following responsibilities: (a) reviewing and discussing with management the safety, health, environment and sustainability policies of the Corporation and, where appropriate, recommend revisions to those policies to the Board; (b) receiving and reviewing updates from management regarding the safety, health, environment and sustainability performance of the Corporation on behalf of the Board, to ensure that management is taking appropriate measures to comply with relevant laws and regulations concerning the Corporation's safety, health, environment and sustainability policies; (c) reviewing and reporting to the Board on the results of any material safety, health, environment or sustainability incident at any of the Corporation's operations; (d) reviewing and reporting to the Board on the results of any health, safety, environment and sustainability audits performed at any of the Corporation's operations; (e) reviewing management's response to all health, safety, environment and sustainability audits and material incidents; (f) investigating, or causing to be investigated, material negative safety, health, environment or sustainability performance; (g) using the committee's best efforts to make annual visits by at least one member of the Committee, to each of the Corporation's material projects, in order to review relevant safety, health, environment and sustainability objectives, procedures and performance; (h) periodically reviewing and reporting to the Board on the sufficiency of the resources available for carrying out the Corporation's health, safety, environment and sustainability responsibilities and obligations; (i) periodically reviewing and reporting to the Board on the safety, health, environment and sustainability risks associated with the Corporation's operations, and the procedures and plans designed to manage and mitigate those risks; (j) periodically reviewing management's assessment of trends and the impact of proposed laws, regulations and voluntary codes or initiatives affecting safety, health, environment and sustainability matters; and (k) periodically reviewing management's plans and actions with respect to sustainable development and support for communities within the area of the Corporation's operations.

The HSE&CSR Committee's responsibilities with respect to corporate social responsibility matters include: (a) ensuring management develops, adopts and implements social policies, programs, procedures and activities in communities where the Corporation conducts its business that are based consistent with industry best practice and are based on the Corporation's desire to be an industry leader; (b) receiving reports from management on the Corporation's corporate social responsibility programs, including significant sustainable development, community relations and security policies and procedures; (c) satisfying itself that management of the Corporation monitors trends and reviews current and emerging issues in the corporate social responsibility field and evaluates the impact on the Corporation; and (d) receiving reports from management on the Corporation's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program.

### **Position Descriptions**

#### ***Chairman of the Board***

Ned Goodman and Sean Roosen, each of whom is independent (within the meaning of NI 58-101), currently act as co-Chairmen of the Board. The Board has developed and adopted a written position description for the Chairman of the Board, which is described within the Board mandate. Pursuant to the written description, the Chairman is responsible for, among other things: (i) chairing all meetings of the Board in a manner that promotes meaningful discussion; (ii) together with the Lead Director, if any, providing leadership to enhance the Board's effectiveness by (a) ensuring that the responsibilities of the Board are well understood by both management and the Board, (b) ensuring

that the Board works as a cohesive team with open communication, (c) ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work, (d) together with the Compensation Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually, and (e) together with the Compensation Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually; (iii) together with the Lead Director, if any, managing the Board (including delegation and succession planning); (iv) acting as a liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner; and (v) at the request of the Board, representing the Corporation to external groups, including Shareholders, community groups and governments. The Chairman is also responsible for working with the Compensation Committee to ensure that the Corporation is building a healthy governance culture.

### *Chief Executive Officer*

The Chief Executive Officer of the Corporation is currently John Burzynski. The Board has developed and adopted a role statement for the Chief Executive Officer. The Chief Executive Officer's primary role is to take overall supervisory and managerial responsibility for the day to day operations of the Corporation's business and manage the Corporation to achieve the goals and objectives determined by the Board, as developed in the Corporation's strategic plan. The Chief Executive Officer's responsibilities include, but are not limited to: (i) meeting the Corporation's goal of operating to the highest standards of the mining industry; (ii) developing strategic plans with the Board and implementing such plans to the best abilities of the Corporation; (iii) providing quality leadership to the Corporation's staff and ensure that the Corporation's human resources are managed properly; (iv) providing high-level policy options, orientations and discussions for consideration by the Board; (v) together with any special committee appointed for such purpose, maintaining existing and developing new strategic alliances, and considering possible merger or acquisition transactions with other mining companies that will be constructive for the Corporation's business and that will help enhance Shareholder value; (vi) providing support, co-ordination and guidance to various responsible officers and managers of the Corporation; (vii) implementing, overseeing and guiding the investor relations program for the Corporation, including ensuring communications between the Corporation and its major stakeholders, and most importantly the Shareholders, are managed in an optimum way and in accordance with applicable securities laws; (viii) providing timely strategic, operational and reporting information to the Board, and implementing its decisions in accordance with good governance, with the Corporation's policies and procedures, and within budget; (ix) acting as an entrepreneur and innovator within the strategic goals of the Corporation; (x) coordinating the preparation of an annual business plan or strategic plan; (xi) ensuring appropriate governance skills development and resources are made available to the Board; (xii) implementing workplace policies and procedures that ensure compliance with the Corporation's policies by all officers, directors, employees, customers and contractors of the Corporation; (xiii) providing a culture of high ethics throughout the organization; and (xiv) taking primary responsibility for the administration of all of the Corporation's sub-areas and administrative practices.

### *Chairmen of the Board's Committees*

The Board has developed and adopted a written position description for the Chairman of each of the Audit Committee, the Corporate Governance & Nomination Committee (the "**CG&N Committee**"), the Compensation Committee and the HSE&CSR Committee that delineate the role and responsibility of each Chairman and outline specific tasks, duties and responsibilities of the respective Chairman and committee in accordance with the recommendations set forth in NP 58-201.

#### *Chairman of the Audit Committee*

The Chairman of the Audit Committee is currently Keith McKay. The following are the primary responsibilities of the Chairman of the Audit Committee: (i) chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) ensuring adherence to the Audit Committee's charter and that the adequacy of the Audit Committee's charter is reviewed annually; (iii) providing leadership to the committee to enhance its effectiveness; (iv) ensuring that procedures as determined by the committee are in place for employees to submit confidential anonymous concerns, and for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters; (v) managing the committee; and (vi) performing such other duties as may be delegated from time to time to the Chairman by the Board.

*Chairman of the Corporate Governance and Nominating Committee*

The Chairman of the CG&N Committee is currently Patrick Anderson. The following are the primary responsibilities of the Chairman of the CG&N Committee: (i) chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) ensuring adherence to the CG&N Committee's charter and that the adequacy of the CG&N Committee's charter is reviewed annually; (iii) providing leadership to the committee to enhance its effectiveness; (iv) managing the committee; and (v) together with the Chairman of the Board, ensuring that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time.

*Chairman of the Compensation Committee*

The Chairman of the Compensation Committee is currently Bernardo Calderon. The following are the primary responsibilities of the Chairman of the Compensation Committee: (i) chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) ensuring adherence to the committee's Charter and that the adequacy of the Compensation Committee's charter is reviewed annually; (iii) providing leadership to the committee to enhance its effectiveness; and (iv) managing the committee.

*Chairman of the Health and Safety and Social Responsibility Committee*

The Chairman of the HSE&CSR Committee is currently David Christie. The following are the primary responsibilities of the Chairman of the HSE&CSR Committee: (i) chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) ensuring adherence to the Committee's charter and that the adequacy of the Compensation HSE&CSR charter is reviewed annually; (iii) providing leadership to the committee to enhance its effectiveness; and (iv) managing the committee.

**Orientation and Continuing Education**

The Board, together with the CG&N Committee, is responsible for providing a comprehensive orientation and education program for new directors that deals with the role of the Board and its committees; the nature and operation of the business of the Corporation; and the contribution that individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the CG&N Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

**Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics (the "**Code of Conduct**") to encourage and promote a culture of ethical business conduct amongst the directors, officers, employees and consultants of the Corporation. Copies of the Code of Conduct are available upon written request from the Chief Executive Officer or Chief Financial Officer of the Corporation. The Board is responsible for ensuring compliance with the Code of Conduct. There have been no departures from the Code of Conduct since its adoption.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behavior by the Corporation's directors, officers and employees.

## **Assessments**

The Board does not consider formal assessments of its members and committees useful given the stage of the Corporation's business and operations and did not have any formal assessments during the Last Financial Year, instead implementing a more informal assessment procedure. When needed, the Chairman of the Board meets with each director individually to facilitate a discussion of his or her contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed-upon improvements are implemented and overseen by the CG&N Committee. A more formal assessment process will be instituted if and when the Board considers it to be necessary.

## **Director Term Limits and Other Mechanisms of Board Renewal**

As set forth above under "*Business of the Meeting – Election of Directors*", each director (if elected) serves until the next annual meeting of Shareholders or until his successor is duly elected or appointed. The Board does not currently have a limit on the number of consecutive terms for which a director may sit; while the Board has not experienced any turnover of directors since the Corporation became a reporting issuer, the Board expects appropriate levels of turnover through normal processes in the future.

## **Composition of the Board**

The members of the Board have diverse backgrounds and expertise, and were selected on the belief that the Corporation and its stakeholders would benefit materially from such a broad range of talent and experience. As the need for new directors or executive officers arises, the Board and the CG&N Committee assess candidates on the basis of knowledge, industry experience, financial literacy, professional ethics and business acumen, among other factors. While the Board and the CG&N Committee recognize the potential benefits from new perspectives that could manifest through greater gender diversity and recognizes that diversity can enhance culture and create value for the Corporation and its stakeholders, the Corporation has not formally adopted a written diversity policy and, given the size and stage of development of the Corporation, the Board and the CG&N Committee do not at this time formally consider the level of representation of women on the board or in senior management when identifying candidates for such positions. Currently, the number of women directors and executive officers of the Corporation is nil (or zero percent of current directors and executive officers, respectively). While the Corporation has not set a target with respect to the appointment of female directors or executive officers (in part due to not yet having had any turnover of directors and executive officers since the Corporation became a reporting issuer), the Corporation is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

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

No director, executive officer, or employee of the Corporation or any of its subsidiaries, former director, executive officer, or employee of the Corporation or any of its subsidiaries, proposed nominee for election as director of the Corporation, or any associate of any of the foregoing, (i) has been or is indebted to the Corporation or any of its subsidiaries, at any time during its last completed fiscal year, or (ii) has had any indebtedness to another entity at any time during its last completed fiscal year which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by the Corporation or any of its subsidiaries.

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

To the knowledge of the Corporation, after reasonable enquiry, other than as disclosed herein, no informed person of the Corporation, any proposed nominee for election as a director, or any associate or affiliate of any informed person, or proposed nominee for election as a director has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries since the commencement of the Corporation's most recently completed fiscal year.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of the Corporation's financial statements and management's discussion and analysis may be directed to the Corporation at 155 University Ave, Suite 1440, Toronto, Ontario M5H 3B7, Attention: John Burzynski, President and CEO. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the year ended December 31, 2015 which are also available under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**APPROVAL**

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

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) John Burzynski*

John Burzynski  
President, Chief Executive Officer and Director

## **SCHEDULE "A"**

### **BOARD MANDATE**

#### **MANDATE FOR THE BOARD OF DIRECTORS**

The term "Corporation" herein shall refer to Oban Mining Corporation and the term "Board" shall refer to the Board of Directors of the Corporation.

#### **1. PURPOSE**

The Board assumes responsibility for the stewardship of the Corporation.

Although Directors may be nominated by certain persons to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

#### **2. RESPONSIBILITIES**

As an integral part of that stewardship responsibility, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- (a) The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board contributes to the development of strategic direction by approving, at least annually, a strategic plan developed and proposed by management. The plan will take into account the business opportunities and business risks of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.
- (b) The Board monitors corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- (c) The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.
- (d) The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and its financial reporting procedures of the Corporation.
- (e) The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a corporate code of ethics for all employees and senior management, and monitoring compliance with such code, if appropriate.
- (f) The Board is responsible for the review and approval of annual financial statements, management's discussion and analysis related to such financial statements, and forecasts.
- (g) The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

- (h) The Board reviews and approves material transactions not in the ordinary course of business.
- (i) The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.
- (j) The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
- (k) The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director and shall make an affirmative determination that such relationships do not preclude a determination that the director is independent.
- (l) The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.
- (m) The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer (the "CEO") and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives, which the CEO is responsible for meeting.
- (n) The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- (o) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

### 3. SIZE OF BOARD AND SELECTION PROCESS

- (a) The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine a slate of nominees to be put to the shareholders for election based upon the following considerations and such other factors the Board considers relevant:
  - (i) the competencies and skills which the Board as a whole should possess;
  - (ii) the competencies and skills which each existing director possesses; and
  - (iii) the appropriate size of the Board to facilitate effective decision-making.
- (b) Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements of the *Business Corporations Act* (Ontario) ("OBCA") and the Corporation's by-laws or at the annual meeting in compliance with the requirements of the OBCA and the Corporation's by-laws.
- (c) The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation's by-laws.
- (d) Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the OBCA.
- (e) Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.
- (f) *Director orientation and continuing education* – The Board, together with the Corporate Governance & Nominating Committee is responsible for providing a comprehensive orientation and

education program for new directors which deals with the following matters and such other matters the Board considers relevant:

- (i) the role of the Board and its committees;
  - (ii) the nature and operation of the business of the Corporation; and
  - (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.
- (g) In addition, the Board together with the Corporate Governance & Nominating Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current, at the request of any individual director.
- (h) *Meetings* – The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, a Board member shall circulate an agenda to the Board. Materials for each meeting will be distributed to directors in advance of the meetings. Directors are expected to make reasonable efforts to attend all meetings of the Board held in a given year, and are expected to make reasonable efforts to adequately review meeting materials in advance of all such meetings.
- (i) The independent directors or non-management directors shall meet at the end of each Board meeting without management and non-independent directors present. The Chairman of the Board shall chair these meetings, unless the Chairman of the Board is not an independent director, in which case the Lead Director shall chair these meetings. If a Lead Director has not been appointed, or is not independent, the independent directors shall appoint a chairman to chair these meetings. The independent directors shall appoint a person to maintain minutes of the meetings or, if no person is so appointed, the chair of the meeting shall maintain minutes of the meeting.
- (j) *Committees* – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Corporate Governance & Nominating Committee; Compensation Committee; and Health, Safety, Social Responsibility and Environment Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation's annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.
- (k) *Evaluation* – The Corporate Governance & Nominating Committee performs an annual evaluation of the effectiveness of the Board as a whole and the committees of the Board.
- (l) *Compensation* – The Compensation Committee recommends to the Board the compensation and benefits for non-management directors. The Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation.
- (m) *Nomination* – The Board, the Corporate Governance & Nominating Committee and the individual directors from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:
- (i) the competencies and skills necessary for the Board as a whole to possess;
  - (ii) the competencies and skills necessary for each individual director to possess;

- (iii) competencies and skills which each new nominee to the Board is expected to bring; and
- (iv) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.
- (n) *Access to independent advisors* – The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance & Nominating Committee, retain an outside advisor at the expense of the Corporation.

#### 4. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The Chairman of the Board shall be a director who is designated by the full Board to act as the leader of the Board.
- (b) The Chairman will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.
- (c) The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

#### 5. RESPONSIBILITIES

The following are the responsibilities of the Chairman. The Chairman may, where appropriate, delegate to or share with the Corporate Governance and Compensation Committee and/or any other independent committee of the Board, certain of these responsibilities:

- (a) Chair all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Provide leadership to the Board to enhance the Board's effectiveness, including:
  - (i) ensure that the responsibilities of the Board are well understood by both management and the Board;
  - (ii) ensure that the Board works as a cohesive team with open communication;
  - (iii) ensure that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - (iv) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - (v) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.
- (c) Manage the Board, including:
  - (i) prepare the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (ii) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

- (iii) ensure meetings are appropriate in terms of frequency, length and content;
  - (iv) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - (v) ensure that a succession planning process is in place to appoint senior members of management and directors when necessary;
  - (vi) ensure procedures are established to identify, assess and recommend new nominees for appointment to the Board and its committees; and
  - (vii) together with any special committee appointed for such purpose, approach potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees.
- (d) If the Chairman is an independent director, the Chairman will:
- (i) in conjunction with the Chair of the Corporate Governance & Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) recommend, where necessary, the holding of special meetings of the Board;
  - (iv) review with the CEO items of importance for consideration by Board;
  - (v) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vi) ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the CEO, formulate an agenda for each Board meeting;
  - (vii) together with the Chair of the Corporate Governance & Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
  - (viii) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
  - (ix) facilitate the process of conducting director evaluations; and
  - (x) promote best practices and high standards of corporate governance.
- (e) Act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance & Nominating Committee to ensure that the Corporation is building a healthy governance culture.

- (f) At the request of the Board, represent the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

## 6. LEAD DIRECTOR

- (a) The Board will appoint a Lead Director in circumstances in which the Chairman of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- (b) The Board may in its sole discretion when the Chair is independent, from time to time, designate a Lead Director who is not independent to assist the Board in its functioning.
- (c) The Corporate Governance & Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.
- (d) The Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from the office by the Board.
- (e) The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Corporate Governance & Nominating Committee, the Lead Director will be responsible for the corporate governance practices of the Corporation.
- (f) The Lead Director will:
  - (i) in conjunction with the Chair of the Corporate Governance & Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) in the absence of the Chairman, act as chair of meetings of the Board;
  - (iv) recommend, where necessary, the holding of special meetings of the Board;
  - (v) review with the Chairman and the CEO items of importance for consideration by Board;
  - (vi) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vii) together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chairman and the CEO, formulate an agenda for each Board meeting;
  - (viii) together with the Chairman and the Chair of the Corporate Governance & Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;

- (ix) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
- (x) facilitate the process of conducting director evaluations;
- (xi) promote best practices and high standards of corporate governance; and
- (xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

## 7. ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS

The accountabilities set out below are meant to serve as a framework to guide individual Directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities. Principal accountabilities include:

- (a) assuming a stewardship role, overseeing the management of the business and affairs of the Corporation;
- (b) maintaining a clear understanding of the Corporation, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;
- (c) preparing for each Board and Committee meeting by reviewing materials that have been provided in a timely manner and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight;
- (d) absent a compelling reason, attending every meeting of the Board and each Committee of which such Director is a member, and actively participating in deliberations and decisions. When attendance is not possible a Director should become familiar with the matters to be covered at the meeting;
- (e) voting on all decisions of the Board or any Committees of which such Director is a member, except when a conflict of interest may exist;
- (f) preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Corporation and disclosing details of such conflicting interests should they arise; and
- (g) acting in the highest ethical manner and with integrity in all professional dealings.

## 8. MANDATE REVIEW

The Board will annually review and reassess the adequacy of this Mandate for the Board.

As of March 10, 2016.

## **SCHEDULE "B"**

### **OBAN MINING CORPORATION STOCK OPTION PLAN**

#### **1. PURPOSE**

The purpose of this stock option plan (the "Plan") is to authorize the grant to service providers for Oban Mining Corporation (the "Corporation") of options to purchase common shares ("shares") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate service providers by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

#### **2. ADMINISTRATION**

The Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the "Committee"). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under the Plan.

#### **3. SHARES SUBJECT TO PLAN**

Subject to adjustment under the provisions of paragraph 11 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed 10% of the total number of issued and outstanding shares of the Corporation from time to time. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee. Any increase in the issued and outstanding shares will result in an increase in the available number of shares issuable under the Plan, and any exercises of options will make new grants available under the Plan effectively resulting in a re-loading of the number of options available to grant under the Plan.

The maximum number of shares which may be issued to any one optionee under this Plan together with any Share Compensation Arrangement in any 12 month period shall not exceed 5% of the number of shares outstanding (on a non-diluted basis) from time to time, unless disinterested shareholder approval is obtained pursuant to the policies of the TSX or any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation.

The maximum number of shares which may issuable to all Insiders at any time under this Plan together with any other Share Compensation Arrangement shall not exceed 10% of the shares outstanding (on a non-diluted basis) from time to time. The number of shares issued to Insiders within any one year period pursuant to all of the Corporation's Share Compensation Arrangements shall not exceed 10% of the number of outstanding shares on a non-diluted basis.

For the purpose of this Plan, "Insider" shall have the meaning ascribed to such term in the TSX Company Manual. For the purposes of this Plan, "Share Compensation Arrangement" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to one or more service providers for the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

4. ELIGIBILITY

Options shall be granted only to service providers for the Corporation. The term "service providers for the Corporation" means (a) any full or part-time employee ("Employee") or officer, or insider of the Corporation or any of its subsidiaries; (b) any other person employed by a company or individual providing management services to the Corporation ("Management Company Employee"); (c) any other person or company engaged to provide ongoing consulting services for the Corporation or any entity controlled by the Corporation ("Consultant") or (d) any individual engaged to provide services that promote the purchase or sale of the issued securities ("Investor Relations Employee") (any person in (a) (b), (c) or (d) hereinafter referred to as an "Eligible Person"); and (e) any registered retirement savings plan established by such Eligible Person, or any corporation controlled by such Eligible Person, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Person and/or the spouse, children and/or grandchildren of such Eligible Person. For stock options to Employees, Consultants or Management Company Employees, the Corporation must represent that the optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be. The terms "insider", "controlled" and "subsidiaries" shall have the meanings ascribed thereto in the Securities Act (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

5. PRICE

The purchase price (the "Price") for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, on the basis of the market price at the time the option is granted, where "market price" shall mean the closing price of the shares of the Corporation on the Toronto Stock Exchange (the "TSX") or another stock exchange or dealing network where the majority of the trading volume or value of the shares occurs, on the date immediately preceding the date of the option grant in question, subject to applicable laws and regulations, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the most recent bid and ask of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade. In the event the shares are listed on the TSX, the price may not be less than the market price less any discounts from the market price allowed by the TSX.

6. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph 6 and paragraphs 7, 8, 9 and 16 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding the later of (i) five years following the date of grant thereof; and (ii) the date which is the fifth business day following the conclusion of a self-imposed blackout period of the Corporation which is in effect on the date which is five years following the date of grant thereof. The shares to be purchased upon each exercise of any option (the "optioned shares") shall be paid for in full at the time of such exercise. Except as provided in paragraphs 7, 8, 9 and 16 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

7. CESSATION OF PROVISION OF SERVICES

Subject to paragraph 9 below, if any optionee who is a service provider shall cease to be a service provider for the Corporation for any reason (except as otherwise provided in paragraphs 8 or 9 below) (whether or not for cause) the optionee may, but only within the period of ninety days, or thirty days if the service provider is an Investor Relations Employee, next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's options which have vested as of the date of such cessation, unless such period is extended as provided in paragraph 9 below or reduced in accordance with any agreement pursuant to which the option is granted. For greater certainty, no options shall vest following the date upon which an optionee who is a service provider shall cease to be a service provider of the Corporation for any reason, unless otherwise approved by the board of directors.

8. DEATH OF OPTIONEE

Subject to paragraph 9 below, in the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death and in no event after the expiry date of the option. Before expiry of an option under this paragraph 8, the board of directors or Committee, as applicable, shall notify the optionee's representative in writing of such expiry.

9. EXTENSION OF OPTION

In addition to the provisions of paragraphs 7 and 8, the board of directors or Committee, as applicable, may extend the period of time within which an option held by a deceased optionee may be exercised or within which an option may be exercised by an optionee who has ceased to be a service provider for the Corporation, but such an extension shall not be granted beyond the original expiry date of the option. Any extensions of options granted under this Plan are subject to applicable regulatory approval.

10. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

11. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price or an extension of the term of the options of an insider of the Corporation under any circumstances, the Corporation will be required to obtain approval from disinterested shareholders.

12. AMENDMENT AND TERMINATION OF THE PLAN

The board of directors or Committee may amend the Plan at any time, and without shareholder approval, provided however, that no such amendment may materially and adversely affect any option previously granted to an optionee without the consent of the optionee, except to the extent required by law. Any such amendment shall be subject to the receipt of requisite regulatory approval including, without limitation, the approval of any stock exchange upon which the shares may trade from time to time, provided, however, that no such amendment may: (i) increase the maximum number of shares that may be optioned under the Plan; (ii) change the manner of determining the minimum Price; or (iii) effect a reduction in the exercise price or extension of the term of any options granted to an insider of the Corporation, unless shareholder and regulatory approval is obtained. Any amendments to the terms of an option under the Plan shall also require regulatory approval, including without limitation, the approval of any stock exchange upon which the shares may trade from time to time. For greater certainty, the board of directors or Committee may make the following amendments without seeking the approval of the shareholders of the Corporation:

- (a) amendments to the Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty;
- (b) amendments to the vesting provisions of a security or the Plan;
- (c) amendments to the termination provisions of a security or a Plan which does not entail an extension beyond the original expiry date thereof;

- (d) amendments to the exercise price (so long as any reduction does not cause the exercise price to go below the current "market price" as defined in paragraph 5 hereof) unless such amendment would benefit "insiders" as defined in the Securities Act (Ontario)); and
- (e) the inclusion of cashless exercise provisions in the Plan or in any option granted thereunder, which provide for a full deduction of the number of underlying securities from the Plan reserve.

13. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

14. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

15. EXERCISE OF OPTION

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

Notwithstanding any other provision herein, no options may be exercised during any self-imposed blackout period of the Corporation. In the event that the expiry date of an option falls within any such self-imposed blackout period, such expiry date shall be the date which is the fifth business day following the conclusion of such blackout period of the Corporation.

16. VESTING RESTRICTIONS

Options issued under the Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that the number of shares which may be acquired pursuant to the Plan shall not exceed a specified number or percentage during the term of the option.

17. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 11 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions),

during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means:

- (a) the acquisition by any "offeror" (as defined in Part XX of the Securities Act (Ontario)) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a takeover bid or otherwise;
- (b) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or
- (d) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

18. RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

19. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

20. EXPIRY OF OPTION

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.