



**ZENYATTA VENTURES LTD.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON SEPTEMBER 10, 2013**

Dated July 26, 2013

## ZENYATTA VENTURES LTD.

### 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 Zenyatta Ventures Ltd. (the “**Corporation**”) will be held at the Toronto Board of Trade, 77 Adelaide Street West, Toronto, Ontario M5X 1C1, on September 10, 2013 at 4:30 p.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended March 31, 2013 and the report of the auditors thereon;
2. to appoint McGovern, Hurley, Cunningham, 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 pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Corporation’s incentive stock option plan that was adopted on August 1, 2010;
5. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to confirm an amendment to the Corporation’s By-Law No. 1 to add an advance notice requirement for nominations of directors by Shareholders in certain circumstances, as more particularly described in the management information circular of the Corporation dated July 26, 2013 (the “**Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An “**ordinary resolution**” is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular under the section entitled *Matters to be Acted Upon*.

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 July 26, 2013 (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.

#### **Notice-and-Access**

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

#### **Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended March 31, 2013 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2013 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s website at [www.zenyatta.ca](http://www.zenyatta.ca) under News. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the

required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

### **Obtaining Paper Copies of Materials**

The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call the Corporation's transfer agent Capital Transfer Agency Inc. ("**Capital Transfer**") toll-free at 1.800.631.0940. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by Monday, September 2, 2013 in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 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 (the "**Proxy Deadline**").

### **Voting**

**All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A "beneficial" or "non-registered" Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with Capital Transfer (in the case of registered holders) at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax Number: 416.350.5008, prior to the Proxy Deadline, failing which such votes may not be counted, or your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline. **SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING.****

DATED this 26<sup>th</sup> day of July, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
ZENYATTA VENTURES LTD.**

*"Aubrey J. Eveleigh"*

Aubrey J. Eveleigh  
President, Chief Executive Officer and Director

## ZENYATTA VENTURES LTD.

### MANAGEMENT INFORMATION CIRCULAR

Zenyatta Ventures Ltd. (the “**Corporation**”) is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for distribution of this Circular to both registered and non-registered (or beneficial) shareholders of the Corporation (collectively, the “**Shareholders**”). Further information on notice-and-access is contained below under the heading *General Information Respecting the Meeting – Notice-and-Access* and Shareholders are encouraged to read this information for an explanation of their rights.

### GENERAL INFORMATION RESPECTING THE MEETING

#### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Zenyatta Ventures Ltd. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Corporation to be held at 4:30 p.m. (Toronto time) on September 10, 2013 at the Toronto Board of Trade, 77 Adelaide Street West, Toronto, Ontario M5X 1C1, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (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 July 26, 2013 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, 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax 416.350.5008 or Tel: 1.800.631.0940 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 dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of July 26, 2013.

#### Voting of Proxies

The common shares in the capital stock of the Corporation (“**Common Shares**”) represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of Capital Transfer Agency Inc. (“**Capital Transfer**”) at the address provided herein, not later than 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 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 the filing 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 Capital Transfer, 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:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Capital Transfer, 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1;
- (ii) 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 Capital Transfer, 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1 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
- (iii) 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" or "beneficial" 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 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, via mail or electronically, 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.

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:

- (i) 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 and the United States. 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 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
- (ii) 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 Capital Transfer at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax Number: 416.350.5008.

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 persons named in the voting instruction form and insert the Non-Registered Shareholder 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.

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Corporation is not sending Meeting Materials directly to the NOBOs. The Corporation will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs. **As more particularly outlined below under the heading “Notice-and-Access”, Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.**

## **Notice and Access**

As noted above, the Corporation is utilizing the Notice-and-Access Provisions that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Circular to all registered Shareholders and Non-Registered Shareholders.

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended March 31, 2013 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2013 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s website at [www.zenyatta.ca](http://www.zenyatta.ca) under News. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular. **Shareholders are reminded to review this Circular before voting.**

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2014 fiscal year.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call the Corporation’s transfer agent Capital Transfer toll-free at 1.800.631.0940. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporate Secretary of the Corporation.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by Monday, September 2, 2013 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Corporation or Capital Transfer, or b) their voting instruction form to their Intermediaries by its due date.

## **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.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 55,309,862 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 July 26, 2013 (the “**Record Date**”). All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy

shall have been delivered to the Corporation's transfer agent, Capital Transfer, within the time specified in the Notice, to attend and to vote thereat by proxy the Common Shares held by them.

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 of the Corporation.

## **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 complete financial year, being the financial year ended March 31, 2013 (the "Last Financial Year"). The only NEOs of the Corporation during the Last Financial Year were Aubrey Eveleigh, the President and Chief Executive Officer of the Corporation and Tom Mustapic, the Chief Financial Officer of the Corporation.

### ***Compensation Committee***

The compensation committee of the Board ("**Compensation Committee**") is currently comprised of three directors, namely Barry Allan (Chairman), Clifford J. Davis and Brian Davey, all of whom are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The Compensation Committee's purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Corporation's incentive stock option plan) and grants, and benefit plans; (ii) have the 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; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Corporation; (iv) review and approve at least annually all compensation arrangements with the directors of the Corporation; and (v) review the executive compensation sections disclosed in the Corporation's management proxy circular distributed to the Shareholders in respect of the Corporations annual meetings of Shareholders.

### ***Compensation Process***

The Board relies on the knowledge and experience of the directors thereon and the members of the Compensation Committee to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Board, nor the Compensation Committee currently has 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 Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Corporation's stock option plan) and recommends to the Board the NEOs' compensation packages. The Compensation Committee's recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

## **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 the financial interests of the shareholders of the Corporation.

## **Compensation Program Design and Analysis of Compensation Decisions**

Standard compensation arrangements for the Corporation's senior officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options	Motivate and Reward  Align interests with shareholders	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

## **Performance and Compensation**

The Corporation is an exploration stage mining company and does not expect to be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards such as corporate profitability is not considered by the Board or Compensation Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of senior officers is based, in part, on trends in the mineral exploration industry as well as achievement of the Corporation's business plans. The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

### *Base Salaries and Consulting Fees*

The Corporation provides senior officers with base salaries or consulting fees which 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, generally industry trends and practices competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

As of August 1, 2010, Aubrey Eveleigh's annual base salary was increased from \$Nil to \$225,000, and on September 1, 2010 the Corporation entered into a consulting agreement with its Chief Financial Officer, Tom Mustapic, whereby Mr. Mustapic is compensated an annual base salary of \$12,000. There were no other changes made to the base compensation of the NEOs during or subsequent to the Last Financial Year.

### *Stock Options*

The grant of options pursuant to the Corporation's stock 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 such officers to strive towards achievement of the Corporation's long-term strategic objectives, which will benefit all shareholders of the Corporation. Options are awarded to employees of the Corporation by the Board, based on the recommendations of the Compensation Committee. Decisions with respect to options granted are based upon 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 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.

During the Last Financial Year, based on the foregoing factors, the Board granted an aggregate of 1,775,000 stock options to purchase Common Shares.

#### *Compensation Risk Considerations*

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, 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.

Base salaries are fixed in amount thus do not encourage risk taking. While annual incentive awards focus on the achievement of short term or annual goals and short term goals may encourage the taking of short-term risks at the expense of long term results, the Corporation's annual incentive award program represents a small percentage of employee's compensation opportunities. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Corporation's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied in long-term stock price performance.

### Summary Compensation Table

The following tables provides information for the Last Financial Year and the years ended March 31, 2012 and March 31, 2011 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended March 31	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			
Aubrey Eveleigh President & Chief Executive Officer	2013	225,000	Nil	357,000 <sup>(1)</sup>	Nil	Nil	Nil	97,425 <sup>(2)</sup>	679,425
	2012	225,000	Nil	Nil	Nil	Nil	Nil	22,500 <sup>(2)</sup>	247,500
	2011	150,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	15,000 <sup>(2)</sup>	165,000
Tom Mustapic Chief Financial Officer	2013	12,000	Nil	59,500 <sup>(1)</sup>	Nil	Nil	Nil	Nil	71,500
	2012	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2011	8,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	8,000

Notes:

- (1) On February 7, 2013, the Corporation granted 1,325,000 options to a number of its directors, officers, employees and consultants with an exercise price of \$1.27 and an expiry date of February 7, 2018, of which Aubrey Eveleigh received 300,000 options and of which Tom Mustapic received 50,000 options. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: a five year expected term; 165% volatility; risk-free interest rate of 1.14% per annum; and a dividend rate of 0%. The fair value assigned to these options on the grant date was \$1,576,750.
- (2) \$97,425 represents (i) vacation pay in the amount of 22,500, representing 10% of Mr. Eveleigh's salary for the Last Financial Year and (ii) a discretionary bonus of \$74,925 awarded to Mr. Eveleigh by the Board during the Last Financial Year.
- (3) As of August 1, 2010, Mr. Eveleigh's annual base salary was increased from \$Nil to \$225,000. \$150,000 represents Mr. Eveleigh's base salary on a pro-rata basis for eight (8) months.
- (4) On August 1, 2010, Mr. Mustapic entered into a consulting agreement with the Company with an annual base salary of \$12,000. \$8,000 represents Mr. Mustapic's base salary on a pro-rata basis for eight (8) months.

## Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each NEO outstanding as of March 31, 2013:

### **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 (\$)
Aubrey Eveleigh	500,000	0.60	December 23, 2015	710,000	N/A	N/A
	300,000	1.27	February 7, 2018	225,000		
Tom Mustapic	150,000	0.60	December 23, 2015	213,000	N/A	N/A
	50,000	1.27	February 7, 2018	37,500		

Note:

- (1) Aggregate dollar amount of in-the-money unexercised options held as at March 31, 2013. This figure is computed based on the difference between the market value of the Common Shares on the TSX Venture Exchange as at March 29, 2013 and the exercise price of the option. The closing price of the Common Shares on the TSX Venture Exchange on Friday March 29, 2013 was \$2.02.

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the year ended March 31, 2013:

### **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 (\$)
Aubrey Eveleigh	19,500	N/A	N/A
Tom Mustapic	3,250	N/A	N/A

Note:

- (1) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on February 7, 2013 vest as to one-half (½) on the date of grant, one-quarter (¼) on the first anniversary of the date of grant and one-quarter (¼) on the second anniversary of the date of grant. The closing price of the Common Shares on the TSX Venture Exchange on February 7, 2013 was \$1.40.

## Pension Plan Benefits

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

## Termination and Change of Control Benefits

### *Employment Agreements*

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other

termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

### Aubrey Eveleigh

Pursuant to the executive employment agreement between the Corporation and Aubrey Eveleigh dated August 1, 2010, in the event that Mr. Eveleigh's employment is terminated by the Corporation other than for cause, the Corporation shall pay Mr. Eveleigh within 10 business days following the date of employment termination a lump sum in the amount equal to the greater of 24 months of salary or six months of salary for each year or partial year of service, the term "salary" including the per annum salary in effect at the time of such termination, and any bonus paid in the year of or year prior to the year in which the employment is terminated. In the event of a Change of Control (as defined below), following the receipt by the Corporation of written notice from Mr. Eveleigh, the Corporation shall pay the above amount for a 12 month period following the date of the Change of Control or, at the Corporation's option, a lump sum amount equal to the aggregate amount that Mr. Eveleigh would have received during such period.

### ***Change of Control Provisions***

In the event of a Change of Control (as defined below) and following receipt by the Corporation of written notice from Mr. Eveleigh, the Corporation shall pay Mr. Eveleigh \$18,750 per month for a 12 month period following the date of the Change of Control or, at the Corporation's option, a lump sum amount equal to \$225,000 which Mr. Eveleigh would have received during such period.

A "**Change of Control**" is defined in Mr. Eveleigh's employment agreement with the Corporation as any of the following events: (a) the purchase or acquisition of Common Shares and/or securities (the "**Convertible Securities**") convertible into Common Shares of Corporation or carrying rights to acquire Common Shares as a result of which a person, group of persons or persons acting jointly or in concert (collectively, the "**Holder**s") beneficially own or exercise control or direction over the Common Shares and/or Convertible Securities such that, assuming only the conversion of the Convertible Securities beneficially owned by the Holders, entitle them to cast more than fifty percent (50%) of the votes attaching to all of the Common Shares which may be cast at a meeting of Shareholders to elect directors; or (b) approval by the Shareholders of (i) an amalgamation, arrangement, merger or other combination of the Corporation with another corporation(s) pursuant to which the Shareholders will not immediately thereafter own shares of the successor or continuing corporation entitling them to cast more than fifty percent (50%) of the votes attaching to all of the common shares in the capital of the successor or continuing corporation which may be cast at a meeting of shareholders to elect directors of that corporation, or (ii) a sale of all or substantially all of the assets of the Corporation.

### **Director Compensation**

The Board determines the level of compensation for directors based on recommendations from the Compensation Committee. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

As of the date hereof, the Board has not adopted a cash compensation program for its directors with respect to general director's duties, meeting attendance, or for additional service on Board committees. However, directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may receive option grants as determined by the Board pursuant to the 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.

## Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors, other than the NEOs, during the financial year ended March 31, 2013:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Barry Allan	Nil	Nil	178,500 <sup>(3)</sup>	Nil	Nil	Nil	178,500
Brian Davey	Nil	Nil	178,500 <sup>(3)</sup>	Nil	Nil	Nil	178,500
Clifford J. Davis	Nil	Nil	178,500 <sup>(3)</sup>	Nil	Nil	Nil	178,500
Peter J. Ravenscroft <sup>(2)</sup>	Nil	Nil	178,500 <sup>(3)</sup> 107,500 <sup>(4)</sup>	Nil	Nil	Nil	286,000

**Notes:**

- (1) Mr. Eveleigh was a director and Named Executive Officer during the year ended March 31, 2013. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Mr. Ravenscroft was appointed to the Board on October 10, 2012.
- (3) On February 7, 2013, the Corporation granted 1,325,000 options to a number of its directors, officers, employees and consultants with an exercise price of \$1.27 and an expiry date of February 7, 2018, of which Messrs. Allan, Davey, Davis and Ravenscroft each received 150,000. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: a five year expected term; 165% volatility; risk-free interest rate of 1.14% per annum; and a dividend rate of 0%. The fair value assigned to these options on the grant date was \$1,576,750.
- (4) On October 10, 2012, the Corporation granted 250,000 options to Mr. Ravenscroft with an exercise price of \$0.44 and an expiry date of October 10, 2017. The fair value of these options at the date of grant was estimated using the Black-Scholes valuation model with the following assumptions: a five year expected term; 192% volatility; risk-free interest rate of 1.14% per annum; and a dividend rate of 0%. The fair value assigned to these options on the grant date was \$107,500.

### **Incentive Plan Awards**

The following table provides information regarding the incentive plan awards for each director outstanding as of March 31, 2013:

#### **Outstanding Share Awards and Options Awards**

Name <sup>(1)</sup>	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>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Barry Allan	250,000	0.60	Dec. 23, 2015	355,000	N/A	N/A
	150,000	1.27	Feb. 7, 2018	112,500		
Brian Davey	250,000	0.60	Dec. 23, 2015	355,000	N/A	N/A
	150,000	1.27	Feb. 7, 2018	112,500		
Clifford J. Davis	250,000	0.60	Dec. 23, 2015	355,000	N/A	N/A
	150,000	1.27	Feb. 7, 2018	112,500		

Name <sup>(1)</sup>	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>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter J. Ravenscroft	250,000	0.44	Oct. 10. 2017	395,000	N/A	N/A
	150,000	1.27	Feb. 7, 2018	112,500		

Notes:

- (1) Mr. Eveleigh was a director and Named Executive Officer during the year ended March 31, 2013. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Aggregate dollar amount of in-the-money unexercised options held as at March 31, 2013. This figure is computed based on the difference between the market value of the Common Shares on the TSX Venture Exchange as at March 29, 2013 and the exercise price of the option. The closing price of the Common Shares on the TSX Venture Exchange on Friday March 29, 2013 was \$2.02.
- (3) Mr. Ravenscroft was appointed to the Board on October 10, 2012.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the year ended March 31, 2013:

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

Name <sup>(1)</sup>	Option awards – Value vested during the year <sup>(2)</sup> (\$)	Share awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Barry Allan	9,750	N/A	Nil
Brian Davey	9,750	N/A	Nil
Clifford J. Davis	9,750	N/A	Nil
Peter J. Ravenscroft	9,750	N/A	Nil

Notes:

- (1) Mr. Eveleigh was a director and Named Executive Officer during the year ended March 31, 2012. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange at the vesting date less the exercise price of the vested options multiplied by the number of vested options. The stock options granted on October 10, 2012 vest as to one-third (1/3) on the date of grant, one-third (1/3) on the first anniversary of the date of grant and one-third (1/3) on the second anniversary of the date of grant. The stock options granted on February 7, 2013 vest as to one-half (1/2) on the date of grant, one-quarter (1/4) on the first anniversary of the date of grant and one-quarter (1/4) on the second anniversary of the date of grant. The closing price of the Common Shares on the TSX Venture Exchange on October 10, 2012 and February 7, 2013 was \$0.44 and \$1.40, respectively.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

#### *Stock Option Plan*

The Corporation adopted an incentive stock option plan dated August 1, 2010 (the “Plan”), and the Plan is the Corporation’s only equity compensation plan. As of the date of this Circular, the Corporation has 3,950,000 options outstanding to purchase Common Shares.

The Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The purpose of the Plan is to advance the interests of the Corporation by (i) providing certain employees, officers, directors or consultants of the Corporation (collectively, the “Optionees”) with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii)

increasing the proprietary interest of the Optionees in the success of the Corporation; (iv) encouraging the Optionees to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

The following information is intended to be a brief description and summary of the material features of the Plan.

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under the Plan and all of the Corporation's other security based compensation arrangements at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the Plan, subject to adjustment or increase of such number pursuant to the terms of the Plan. Any Common Shares subject to an option which has been granted under the Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.
- (b) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the TSX Venture Exchange ("TSX-V"), the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.
- (c) The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Corporation at any given time, or within a 12 month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person or entity within any 12 month period shall not exceed 5% of the total number of the Common Shares then outstanding unless disinterested shareholder approval is obtained.
- (d) The Board may determine when any option will become exercisable and may determine that the option will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule. However, unless the Board determines otherwise, options issued pursuant to the Plan are generally subject to a vesting schedule as follows: (i)  $\frac{1}{3}$  upon the date of grant; (ii)  $\frac{1}{3}$  upon the first anniversary of the date of grant; and (iii)  $\frac{1}{3}$  upon the second anniversary of the date of grant.
- (e) In the event an Optionee ceases to be eligible for the grant of options under the Plan, options previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the Plan, or such longer or shorter period as determined by the Board, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the date such person ceases to be eligible under the Plan.
- (f) In the event of a change of control (as defined in the Plan), all options outstanding shall be immediately exercisable.

### ***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 March 31, 2013 pursuant to the Corporation's equity compensation plan currently in place:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	4,050,000	\$0.8552	786,986
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,050,000 <sup>(2)</sup>		786,986

Notes:

- (1) Based on a total of 4,836,986 stock options issuable pursuant to the Plan, representing 10% of the issued and outstanding Common Shares as at the March 31, 2013.
- (2) Representing approximately 8.4% of the issued and outstanding Common Shares as at March 31, 2013.

### **MATTERS TO BE ACTED UPON**

#### **Appointment of Auditors**

McGovern, Hurley, Cunningham, LLP, Chartered Accountants (“**McGovern Hurley**”) are the independent registered certified auditors of the Corporation. McGovern Hurley was first appointed as auditors of the Corporation on May 3, 2010.

**Unless the Shareholder has specifically instructed in the enclosed 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 appointment of McGovern Hurley 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 of Incorporation provide that the Board consist of a minimum of three (3) and a maximum of nine (9) directors. At the Meeting, the following five (5) 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 accompanying 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 of the Corporation, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

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 enclosed 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 election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, 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 of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

<b>Name, Province or State and Country of Residence</b>	<b>Date First Became a Director</b>	<b>Present Principal Occupation and Positions Held During the Preceding Five Years</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised<sup>(1)</sup></b>
Aubrey Eveleigh <sup>(2)</sup> <i>Ontario, Canada</i>	July 29, 2008	President and Chief Executive Officer of the Corporation and President of Eveleigh Geological Consulting	4,591,429
Clifford J. Davis <sup>(2)(3)(4)</sup> <i>British Columbia, Canada</i>	November 24, 2009	Retired mining industry veteran; former Chief Executive Officer of New Gold Inc. (resigned effective June 30, 2008)	180,000
Brian Davey <sup>(3)(4)</sup> <i>Ontario, Canada</i>	November 24, 2009	Manager, Economic Development – Matawa First Nations and Managing Partner – First Nations Equity	7,750
Barry Allan <sup>(2)(3)(4)</sup> <i>Ontario, Canada</i>	November 24, 2009	Senior VP and Director, Mackie Research Capital Corporation	1,287,000
Peter Ravenscroft <i>London, United Kingdom</i>	October 10, 2012	Founding Director of Burgundy Mining Advisors (Since 2011)	Nil

**Notes:**

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Barry Allan is the Chairman.
- (3) Member of the Compensation Committee. Barry Allan is the Chairman.
- (4) Member of the Nominating and Corporate Governance Committee. Brian Davey is the Chairman.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 6,066,179 Common Shares, representing approximately 11% of the issued and outstanding Common Shares as of the date hereof.

***Peter Ravenscroft***

Mr. Peter J. Ravenscroft, M.Sc; FAIMM, is a mining industry executive with over 30 years' experience in a range of countries, commodities and operating environments and most recently a founding director (2011) of Burgundy Mining Advisors, an independent boutique consultancy firm providing high level advisory services to all sectors of the mining industry. He has been a General Manager of Resource Development at Cliffs Asia Pacific Iron Ore Holdings Pty Ltd. since August 2007 and served as Head of Global Exploration for Cliffs Natural Resources Inc., an international mining and natural resources company, from 2007 to 2011. He served as Managing Director of Technical Evaluation Group at Rio Tinto based in London where he had global accountability for internal technical reviews of all major investments and capital projects presented to Rio Tinto's board. He served as General Manager of Resource Development for Hamersley Iron in Western Australia. He led the exploration, resource evaluation, mine planning and metallurgical development functions during the early stages of Rio Tinto's multi-billion dollar expansions in Western Australian iron ore. He spent nine years in the southern African mining industry, with De Beers, Anglo American and Gencor. He has built resource models, managed resource definition programmes, performed resource/reserve reviews and audits, developed mine plans and schedules, directed strategic planning studies, worked in numerous prefeasibility and feasibility study teams. He has managed order of magnitude studies,

headed large due diligence teams, run major technical reviews of world-class capital projects and successfully created and led an innovative new exploration strategy for a diversifying mining company. Mr. Ravenscroft has been a Director of the Corporation since October 2012. He served as a Non-Executive Director of AusQuest Ltd. from February 2011 to August 2011. He is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). He is a Fellow of the AusIMM and member of Australian Institute of Company Directors. Mr. Ravenscroft graduated in Operations Research and Mathematical Statistics at the University of Cape Town, South Africa, and has a Masters degree in Geostatistics from the Centre de Geostatistique of the Ecole des Mines de Paris in France.

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

No individual set forth in the above table is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, 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 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 proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

No individual set forth in the above table (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, 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 that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No individual as set forth in the above table (or any personal holding company of any such individual) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

No individual set forth in the above table (or any personal holding company of any such individual) has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **Stock Option Plan Approval**

The TSX-V requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to reapprove the Plan that was originally adopted by the Corporation on August 1, 2010.

The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares. The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents 5,530,986 Common Shares available under the Plan.

Outstanding options to purchase a total of 3,950,000 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 1,580,986. For a brief description of the Plan, please see: “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*”.

The full text of the Plan will be supplied free of charge to Shareholders upon written request made directly to the Corporation at its registered head office located at 1224 Amber Drive, Thunder Bay, Ontario P7B 6M5, Attention: Chief Executive Officer.

### ***Shareholder Approval for the Plan***

Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the Plan (the “**Stock Option Plan Resolution**”), which, to be effective, must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

**The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Stock Option Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the Stock Option Plan Resolution.**

### **By-Law Amendment**

On July 26, 2013, the Board approved certain amendments to By-Law No. 1 of the Corporation (the “**By-Law Amendments**”) to, among other things, require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the Act, or (b) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “Act”).

Pursuant to the provisions of the Act, the By-Law Amendments will cease to be effective unless confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. The full text of the By-Law Amendments is set forth in Appendix “B” hereto.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the “**By-Law Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, confirming the By-Law Amendments. In order to be affected, the By-Law Resolution must be approved by a simple majority of the votes cast at the Meeting in respect thereof.

**The Board recommends that Shareholders vote FOR the By-Law Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the By-Law Resolution, the persons named in the proxy or voting information form will vote FOR the By-Law 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

### **Board of Directors**

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.

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, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of five (5) directors being Aubrey Eveleigh, Clifford J. Davis, Brian Davey, Barry Allan and Peter Ravenscroft. Messrs. Davis, Davey, Allan Ravenscroft are independent within the meaning of NI 58-101. Mr. Eveleigh is not independent as he is an officer of the Corporation and thereby has a “material relationship” with the Corporation.

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*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

### **Other Public Company Directorships**

The following member of the Board currently holds a directorship in another reporting issuer as set forth below:

Name of Director	Name of Reporting Issuer	Market
Clifford J. Davis	Agnico-Eagle Mines Limited	TSX/NYSE

### **Orientation and Continuing Education of Board Members**

The Board, together with the Corporate Governance and Nominating Committee (the “**Nominating Committee**”) is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the 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.

### **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics to encourage and promote a culture of ethical business conduct amongst the directors, officers and employees of the Corporation. Copies of the Code of Conduct are available upon written request from the Chief Executive Officer of the Corporation. The Board is responsible for

ensuring compliance with the Corporation's Code of Conduct. The Code of Conduct was adopted during the Last Financial Year, and there have been no departures from the Corporation's Code of Conduct since its adoption.

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Corporation's annual business plan and budget;
- material transactions not in the ordinary course of business; and
- transactions which are outside of the Corporation's existing business.

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 behaviour by the Corporation's directors, officers and employees.

### **Nomination of Directors**

The Nominating Committee holds the responsibility for the appointment and assessment of directors.

The Nominating Committee seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When considering candidates for director, the Nominating Committee takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- Ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

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 Nominating Committee will consider various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current directors or management, stockholders or other persons. These candidates will be evaluated at regular or special meeting of the Nominating Committee, and may be considered at any point during the year.

### **Compensation**

The Compensation Committee assists the Board in its oversight role with respect to (i) the Corporation's global human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation.

The Compensation Committee:

- reviews and makes recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans including the Plan and grants and benefit plans;
- has 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;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Corporation;
- reviews and approves at least annually all compensation arrangements with the directors of the Corporation; and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the shareholders in respect of the Corporation's annual meetings of shareholders.

### **Other Board Committees**

The Board has no standing committees other than the Audit Committee, the Compensation Committee and the Nominating Committee.

### **Assessments**

The Board does not consider formal assessments useful given the stage of the Corporation's business and operations. However, the chairman of the Board meets annually with each director individually, which facilitates a discussion of his 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 required to be made are implemented and overseen by the Nominating Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

## **AUDIT COMMITTEE INFORMATION**

### **The Audit Committee's Charter**

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix "A" to this Circular.

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

The members of the Audit Committee are Barry Allan (Chairman), Clifford J. Davis and Aubrey Eveleigh. Messrs. Allan and Davis are independent (as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) adopted by the Canadian Securities Administrators), Mr. Eveleigh is not independent as he is an officer of the Corporation, and all members are financially literate (as defined in NI 52-110).

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Barry Allan (Chair)	Yes	Yes
Clifford J. Davis	Yes	Yes
Aubrey Eveleigh	No	Yes

**Notes:**

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the board of directors of the Corporation, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

### **Relevant Education and Experience**

Mr. Allan has an MBA and, through working for various investment firms as a mining analyst, has gained extensive experience in respect of the finances of mineral exploration companies.

Mr. Davis has extensive experience serving on boards and as management of various other public mineral exploration companies similar in size and scope to the Corporation.

Mr. Eveleigh was the President of a consulting company which provided geological and administrative support to mineral exploration companies, and gained extensive experience with the budgets and finances of mineral exploration companies. He has served on boards and as management of various other public mineral exploration companies similar in size and scope to the Corporation.

### **Audit Committee Oversight**

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

### **External Auditor Services Fees (By Category)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
March 31, 2013	\$33,600	Nil	Nil	Nil
March 31, 2012	\$37,740	Nil	Nil	Nil

**Notes:**

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation’s annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

During the year ended March 31, 2013, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

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

Since the commencement of the Corporation’s most recently completed financial year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of this Circular, the Financial Statements and MD&A for the year ended March 31, 2013 may be directed to the Corporation’s transfer agent toll-free by telephone at 1.800.631.0940. Additional financial information is provided in the Financial Statements and MD&A for the year ended March 31, 2013 which is also available on SEDAR and the Corporation’s website at [www.zenyatta.ca](http://www.zenyatta.ca).

### **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

*“Aubrey J. Eveleigh”*

Aubrey J. Eveleigh  
President, Chief Executive Officer and Director

## **APPENDIX “A”**

### **AUDIT COMMITTEE CHARTER**

#### **MANDATE**

The Audit Committee (“**Committee**”) is a committee of the Board of Directors (“the **Board**”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for Zenyatta Ventures Ltd.’s (the “**Company**”) external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company’s outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member’s duties as a member of the Board.

The Committee has the duty to determine whether the Company’s financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

#### **MEMBERSHIP AND COMPOSITION**

The Committee shall consist of at least three Directors who shall serve on behalf of the Board of which at least two directors are independent. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange, including National Instrument 52-110, and other regulatory agencies as required.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

#### **MEETINGS**

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than five (5) business days before the meeting.

The Committee shall meet no less than four times per year or more frequently if circumstances or the obligations require.

## **DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be as follows:

### **A. Financial Reporting and Disclosure**

- i. Review and discuss with management and the external auditor at the completion of the annual examination:
  - a. the Company's audited financial statements and related notes;
  - b. the external auditor's audit of the financial statements and their report thereon;
  - c. any significant changes required in the external auditor's audit plan;
  - d. any serious difficulties or disputes with management encountered during the course of the audit; and
  - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- iii. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- vii. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.
- viii. Oversee and enforce Company's public disclosure practices.

## **EXTERNAL AUDITOR**

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- ii. Recommend to the Board the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.

- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:
  - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,
  - b. considering and discussing with the external auditor any disclosed relationships or services, including non audit services, that may impact the objectivity and independence of the external auditor, and
  - c. approve in advance any non audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX Venture Exchange with respect to approval of non audit related serviced performed by the auditor.

#### **INTERNAL CONTROLS AND AUDIT**

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Assess the requirement for the appointment of an internal auditor for the Company.
- iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

#### **OVERSIGHT FUNCTION**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

#### **CHARTER REVIEW**

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

#### **ADOPTION**

This Policy was adopted by the Board on August 1, 2010.

## APPENDIX “B”

### ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

By-law No. 1 of the Corporation is hereby amended by adding the following thereto as the new Section 2.04:

#### 2.04 NOMINATION OF DIRECTORS

Subject only to the Act and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice provided for below in this Section 2.04 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Section 2.04:

- (A) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Section 2.04A.
- (B) To be timely, a Nominating Shareholder’s notice to the secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph (B). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.
- (C) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any

other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (D) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 2.04; provided, however, that nothing in this Section 2.04 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (E) For purposes of this Section 2.04, (i) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "**Applicable Securities Laws**" means the *Securities Act* (Ontario) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada.

Notwithstanding any other provision of this By-law No. 1 of the Corporation, notice given to the secretary of the Corporation pursuant to this Section 2.04 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

## ZENYATTA VENTURES LTD.

### 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 Zenyatta Ventures Ltd. (the “**Corporation**”) will be held at the Toronto Board of Trade, 77 Adelaide Street West, Toronto, Ontario M5X 1C1, on September 10, 2013 at 4:30 p.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended March 31, 2013 and the report of the auditors thereon;
2. to appoint McGovern, Hurley, Cunningham, 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 pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Corporation’s incentive stock option plan that was adopted on August 1, 2010;
5. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to confirm an amendment to the Corporation’s By-Law No. 1 to add an advance notice requirement for nominations of directors by Shareholders in certain circumstances, as more particularly described in the management information circular of the Corporation dated July 26, 2013 (the “**Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An “**ordinary resolution**” is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular under the section entitled *Matters to be Acted Upon*.

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 July 26, 2013 (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.

#### **Notice-and-Access**

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

#### **Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended March 31, 2013 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2013 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s website at [www.zenyatta.ca](http://www.zenyatta.ca) under News. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the

required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

### **Obtaining Paper Copies of Materials**

The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call the Corporation's transfer agent Capital Transfer Agency Inc. ("**Capital Transfer**") toll-free at 1.800.631.0940. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporation's Corporate Secretary.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by Monday, September 2, 2013 in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 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 (the "**Proxy Deadline**").

### **Voting**

**All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A "beneficial" or "non-registered" Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with Capital Transfer (in the case of registered holders) at 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1, Fax Number: 416.350.5008, prior to the Proxy Deadline, failing which such votes may not be counted, or your intermediary (in the case of beneficial holders) with sufficient time for them to file a proxy by the Proxy Deadline. **SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING.****

DATED this 26<sup>th</sup> day of July, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
ZENYATTA VENTURES LTD.**

*"Aubrey J. Eveleigh"*

Aubrey J. Eveleigh  
President, Chief Executive Officer and Director