



# RESERVOIR MINERALS

## MANAGEMENT INFORMATION CIRCULAR

(As at March 21, 2013 (the “**Record Date**”) and in Canadian dollars, except where indicated)

### PERSONS MAKING THIS SOLICITATION OF PROXIES

**This Management Information Circular (“Circular”) is provided in connection with the solicitation by management of Reservoir Minerals Inc. (the “Corporation”) of proxies (“Proxies”) from registered shareholders and voting instruction forms (“VIFs”) from the holders (“Shareholders”) of common shares of the Corporation (“Common Shares”) in respect of the annual general meeting of Shareholders (the “Meeting”) to be held at the time, location and place and for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).**

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian securities administrators (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to forward the Notice of Meeting Proxies and VIFs to the beneficial owners of the Common Shares held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of Proxies and VIFs will be borne by the Corporation.

The Corporation has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting and Proxy or VIF, but not this Circular, directly to its registered Shareholders and those non-registered (beneficial) Shareholders that have consented to allow their addresses to be provided to the Corporation (“**NOBOs**”) in accordance with. The Corporation does not intend to pay for intermediaries such as stockbrokers, securities dealers, banks, trust companies, trustees and their agents and nominees (“**Intermediaries**”) to forward the Notice of Meeting and VIF to those beneficial Shareholders that have refused to allow their address to be provided to the Corporation (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them. Instead of mailing this Circular to Shareholders, the Corporation has posted the Circular on its website pursuant to the ‘Notice and Access’ procedures of NI 54-101. Shareholders may request a paper copy of this Circular be sent to them by contacting the Corporation as set out under ‘Additional Information’ at the end of this Circular.

**APPOINTMENT OF PROXYHOLDERS  
AND COMPLETION AND REVOCATION OF PROXIES AND VIFS**

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders ("Proxyholders") will be recognized or may make motions or vote at the Meeting.

The persons named (the "Management Designees") in the enclosed Proxy or VIF have been selected by the directors of the Corporation and have agreed to represent, as Proxyholder, the Shareholders appointing them.

**A Shareholder has the right to designate a person (who need not be a Shareholder and, for a VIF, can be the appointing shareholder) other than the Management Designees to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed Proxy or VIF the name of the person to be designated and by striking therefrom the names of the Management Designees or, if the shareholder is a registered shareholder, by completing another proper form of Proxy and delivering the Proxy or VIF in accordance with its instructions.** Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an 'X' in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a 'For' or 'Against' vote, and in favour of the matter for any matter requiring a 'For' or 'Withhold' vote.**

**The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting.** As at the date of this Circular, the Company's management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies hereby solicited will be voted as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs, unless the VIF has Computershare's name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Canada or by hand delivery to 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Proxies and VIFs received after that time may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late proxies.

A Proxy may be revoked by a Shareholder personally attending at the Meeting and voting their Common Shares. A Shareholder may also revoke their Proxy in respect of any matter upon which a vote has not already been cast pursuant to the authority conferred by the Proxy. A Proxy or VIF may also be revoked by depositing an instrument in writing (which includes an Proxy or VIF bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its

corporate seal by an officer or attorney thereof duly authorized, at the office of the transfer agent at one of Computershare's addresses set out above, the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8 (or by fax to (+1) 604-688-1157) or its registered office at Northwest Law Group (attn: Michael F. Provenzano), Suite 704, 595 Howe Street, Box 35, Vancouver, BC V6C 2T5, Canada (or by fax to (+1) 604-687-6650) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, prior to the commencement of the Meeting or any adjournment thereof.

## **REGISTERED SHAREHOLDERS**

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed Proxyholders will be recognized, make motions or vote at the Meeting.

## **BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.**

Shareholders holding their Common Shares through Intermediaries ("**Beneficial Shareholders**") should note that only Proxies deposited by registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for NI 54-101, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from their Intermediaries instead of a Proxy. A VIF enables a Shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allow the registered holder to provide a Proxy voting the Common Shares in accordance with those instructions. A VIF should be completed and returned in accordance with its instructions. As indicated in the VIF, both telephone voting and Internet voting are allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

Securities regulatory policies require Intermediaries to seek voting instructions from OBOs in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs to ensure that their Common Shares are voted at the Meeting. Most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Communications, which mails the materials for the Meeting to OBOs and asks them to return a VIF to Broadridge. **An OBO receiving a VIF from Broadridge may use that VIF to vote**

**Common Shares directly at the Meeting if the OBO inserts their name as the name of the person to represent them at the Meeting. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as representative and provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting. The VIF must be returned to Broadridge well in advance of the meeting in order to have the Common Shares voted.**

**Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.**

## **UNITED STATES SHAREHOLDERS**

This solicitation of Proxies and VIFs involve securities of a corporation located in Canada and is being effected in accordance with the corporate laws of the province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

## **VOTING OF PROXIES AND VIFS**

Voting at the Meeting will be by a show of hands, each registered Shareholder and each Proxyholder having one vote, unless a poll is required (if the number of Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each registered Shareholder and Proxyholder is entitled to one vote for each Share held or represented, respectively.

Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting (including the voting on any ballot) and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder or nominee, will vote in favour of the matters set out therein.**

**The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters**

**which may come before the Meeting. If other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of the Corporation.**

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a “special resolution” in which case a majority of 66-2/3% of the votes cast will be required.

## **QUORUM**

The articles of the Corporation provide that a quorum for a general meeting is two individuals who are Shareholders, Proxyholders representing Shareholders or duly authorized representatives of corporate Shareholders personally present and representing Common Shares aggregating not less than 10% of the issued Common Shares carrying the right to vote at that meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares. As at the Record Date the Corporation had 47,670,164 Common Shares issued and outstanding. There are no other shares issued or outstanding of any class. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

To the knowledge of the directors and Executive Officers (as hereinafter defined in “Statement of Executive Compensation”) of the Corporation, no person, firm or company beneficially owned, directly or indirectly, or exercised control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation as at the Record Date.

## **STATEMENT OF EXECUTIVE COMPENSATION**

Unless otherwise noted the following information is for the Corporation’s last completed financial year (which ended November 30, 2012) and, since the Corporation has subsidiaries, is prepared on a consolidated basis.

### **A. Named Executive Officers**

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) of the Corporation means each of the following individuals:

- (a) the chief executive officer (“**CEO**”) of the Corporation;
- (b) the chief financial officer (“**CFO**”) of the Corporation; and
- (c) each of the Corporation’s three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, at the end of, or during, the most recently completed financial year if their individual total compensation was more than \$150,000 for that financial year.

### **B. Compensation Discussion and Analysis**

The Compensation Committee of the Corporation’s board of directors (the “**Board**”) is responsible for ensuring that the Corporation has appropriate procedures for reviewing executive compensation and making recommendations to the Board with respect to the compensation of the Corporation’s executive

officers. The Compensation Committee ensures that total compensation paid to all executive officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's Stock Option Plan.

The Compensation Committee is currently comprised of Miles Thompson, Geoff Chater and David Knox, all of whom are independent directors. The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation.

### *Philosophy*

The philosophy used by the Compensation Committee in determining compensation is that the compensation should (i) reflect the Corporation's current state of development, (ii) reflect the Corporation's performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Corporation in retaining key individuals, and (vi) reflect the Corporation's overall financial status.

### *Compensation Components*

The compensation of the NEOs is comprised primarily of (i) base salary; (ii) bonus; and (iii) long-term incentive in the form of stock options granted in accordance with the Stock Option Plan.

In establishing levels of compensation and granting stock options, the executive's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size and development within the mining exploration and development industries are considered as well as taking into account the financial and other resources of the Corporation. During the last financial year, the Compensation Committee of the Board conducted a survey and reviewed approximately 22 mining exploration and development companies with market capitalizations ranging from \$15.9 million to \$183.2 million. Such companies included Almaden Minerals Ltd., Andina Minerals Inc., Avala Resources Ltd., Cardero Resource Corp., Carpathian Gold Inc., Colombian Mines Corporation, Elgin Mining Inc., Esperanza Resources Corp., Eurasian Minerals Inc., EurOmax Resources Ltd., Golden Predator Corp., Goldrock Mines Corp., Lara Exploration Ltd., Mawson Resources Ltd., Midway Gold Corp., Miranda Gold Corp., Mirasol Resources Ltd., Orsu Metals Corp., Orvana Minerals Corp., Radius Gold Inc., Riverside Resources Inc. and Sunridge Gold Corp. Stock options already held by NEOs are considered in granting new options.

The Compensation Committee also relies on the experience of its members as officers and directors at other companies in similar lines of business as the Corporation in assessing compensation levels. The other companies of which they are currently a director are identified under the heading "Disclosure of Corporate Governance Practices – Directorships" of this Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Board considers the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

### *Base Salary*

The Compensation Committee recommends the salary ranges for the NEOs and the Board approves the specific salary for each NEO. The salary review for each NEO is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Compensation Committee, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

### *Annual Incentives*

Awards under the annual incentive plan are made by way of cash bonuses, which are based in part on the Corporation's success in reaching its objectives and in part on individual performance. The Compensation Committee and the Board approve annual incentives.

The Board together with the Compensation Committee review corporate performance objectives during the year. During the last financial year, the principal objectives included:

- Exploration success including the discovery of material mineralization in one or more of the Corporation's properties;
- Acquisition of new properties;
- Sale and/or joint venture of properties and the formation of strategic alliances;
- Capital management;
- Successful management of the Corporation's environmental, community, and safety objectives;
- Maintaining compliance with the regulatory and disclosure framework;
- Increasing investor interest in the Corporation; and
- Increasing market capitalization.

The success of the NEOs' contributions to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs.

There were no annual bonuses paid to the NEOs during the last financial year..

### Long Term Compensation

The Corporation has created a stock option plan (the “**Option Plan**”) to encourage share ownership and entrepreneurship on the part of the directors, senior management and other employees. The Compensation Committee believes that the Option Plan aligns the interests of the NEOs’ with the interests of Shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs during the last financial year were recommended by the Compensation Committee and approved by the Board. In monitoring stock option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other materials terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Option Plan.

### C. Summary Compensation Table

The following table contains a summary of the compensation paid to the current and former NEOs during the last three financial years.

Name and principal position	Year Ended November 30	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
<b>Simon Ingram</b> President & CEO <sup>(1)</sup>	2012	160,000	0	103,594 <sup>(6)</sup>	0	0	0	0	263,594
	2011	132,000	0	242,575 <sup>(7)</sup>	0	0	0	0	374,575
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>David Miles</b> <sup>(2)</sup> CFO	2012	15,684 <sup>(4)</sup>	0	69,063 <sup>(6)</sup>	0	0	0	0	84,747
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Christina Cepeliauskas</b> Former CFO <sup>(3)</sup>	2012	9,873 <sup>(5)</sup>	0	0	0	0	0	0	9,873
	2011	19,275 <sup>(5)</sup>	0	48,515 <sup>(7)</sup>	0	0	0	0	67,790
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



- (1) Mr. Ingram was appointed President & CEO of the Corporation on January 25, 2011.
- (2) Mr. Miles was appointed CFO of the Corporation in place of Ms. Cepeliauskas on May 22, 2012.
- (3) Ms. Cepeliauskas was appointed CFO of the Corporation on October 14, 2011.
- (4) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Mr. Miles' remuneration is paid by Seabord. See "Management Contracts" for a description of the material terms of the Management Services Agreement.
- (5) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Ms. Cepeliauskas's remuneration was paid by Seabord. See "Management Contracts" for a description of the material terms of the Management Services Agreement.
- (6) The stock option benefit is the grant date fair value and has been calculated using the Black Scholes option pricing model, which is described below, using the following assumptions: stock price - \$1.02 - exercise price - \$1.02, an option life of 5 years, a risk-free interest rate of 1.12% and a volatility of 100%. Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options on November 30, 2012.
- (7) The stock option benefit is the grant date fair value and has been calculated using the Black Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.65, exercise price - \$0.65, an option life of 5 years, a risk-free interest rate of 1.53% and a volatility of 100%. Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options on November 30, 2012.
- (8) No amounts are shown for 2010 as the Corporation was not incorporated until 2011.

The Corporation has calculated the "grant date fair value" amounts in the 'Option-based Awards' column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple "in-the-money" value calculation. Stock options that are well "out-of-the-money" can still have a significant "grant date fair value" based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the 'Value of Unexercised in-the-money Options' column of the "Outstanding Share-Based and Option-based Awards" table below.

### **Employment and Consulting Agreements**

On May 31, 2011, the Corporation agreed to pay a management Corporation controlled by Simon Ingram, the President and CEO of the Corporation, a consulting fee of \$12,000 per month. This amount was increased to \$16,000 per month effective August 1, 2012.

### **D. Incentive Plan Awards**

#### ***Outstanding Share-Based and Option-Based Awards***

The following table sets out for each NEO, the incentive stock options to purchase Common Shares (option-based awards) held as of the end of the last financial year (November 30, 2012). The closing price of the Shares on the TSX Venture Exchange (the "Exchange") on that date was \$3.14.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	(m/d/y)	Value of unexercised 'in-the-money' options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Simon Ingram President & CEO	135,000	1.02	07/24-2017	286,200	N/A	N/A
	500,000	0.65	10/17/2016	1,245,000	N/A	N/A
David Miles CFO	90,000	1.02	07/24/2017	190,800	N/A	N/A

#### *Value of Share-Based and Option-Based Awards Vested or Earned During the Year*

The following table sets out the share and option based awards that vested in, and non-equity awards that were earned by, the Named Executive Officers during the last financial year:

Name	Option-based awards – Value <sup>(1)</sup> vested during the year (\$)	Share-based awards – Value vested <sup>(2)</sup> during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Simon Ingram, CEO	0	0	0
David Miles, CFO	0	0	0
Christina Cepeliauskas, former CFO	N/A	0	0

- (1) The value of an option based award is the product of the number of shares issuable on the exercise of the option on the vesting date multiplied by the difference between the exercise price and the closing market price on the vesting date. The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described above, using the following assumptions: stock price - \$1.02, exercise price - \$1.02, an option life of 5 years, a risk-free interest rate of 1.12% and a volatility of 100%. Please see the table under “Share-based and Option-based Awards to Directors” for the “in-the-money” value of these options on November 30, 2012.
- (2) The value of a share based award is the product of the number of shares issuable on the vesting date multiplied by the closing market price on the vesting date. The Corporation has not granted any share based awards.

#### *Option-based Awards Exercised or Granted During the Year*

There were no option-based awards exercised by the NEO’s during the Corporations last completed financial year.

The following table sets forth the particulars of option-based awards granted during the Corporation’s last completed financial year to each NEO.

Name	Date of Grant (m/d/y)	Number of Option-Based Awards Granted	Exercise Price (\$)	Expiry Date (m/d/y)
Simon Ingram, CEO	07/24/2012	135,000	1.02	07/24/2017
David Miles, CFO	07/24/2012	90,000	1.02	07/24/2017
Christina Cepeliauskas, former CFO	N/A	0	N/A	N/A

#### E. Pension Plan Benefits

The Corporation does not have a pension plan, defined benefits plan, defined contribution plan or deferred compensation plan.

#### F. Termination and Change of Control Benefits

The Corporation has not provided or agreed to provide any compensation to any NEOs as a result of a change of control of the Corporation, its subsidiaries or affiliates.

#### G. Director Compensation

The following table describes director compensation for non-executive directors for the last financial year.

Name	Fees earned <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Michael Winn	6,000	0	15,347	0	0	0	21,347
David Knox	6,000	0	15,347	0	0	0	21,347
Miljana Vidovic	6,000	0	38,368	0	0	0	44,368
Geoff Chater	6,000	0	15,347	0	0	0	21,367
Miles Thompson	6,000	0	38,368	0	0	0	44,368

(1) Director Fees.

(2) The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described below, using the following assumptions: stock price - \$1.02, exercise price - \$1.02, an option life of 5 years, a risk-free interest rate of 1.12% and a volatility of 100%.

The Corporation has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns. The value of the in-the-money options currently held by each director (based on share price less

option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. (Remuneration of each Committee Chair is determined on its own merits and circumstances after being carefully considered in light of prevailing economic conditions – both on a corporate level and on a national and international level – and industry norms for such remuneration.) Levels of remuneration are usually first informally discussed among the members of the Compensation Committee and with the President before being formally considered and approved by the Board.

**Employment and Consulting Agreements**

On February 1, 2013, the Corporation entered into a consulting agreement with Miljana Vidovic, a director of the Corporation, to provide strategic and management advice to the Corporation and seek out new exploration/mining opportunities. Pursuant to the consulting agreement, Ms. Vidovic is paid a fee of \$8,000 per month. In addition, a one-time payment of \$27,000 was paid to Ms. Vidovic in 2013 in recognition of services undertaken by her during the last financial year on behalf of the Corporation. Following the initial six month term of the consulting agreement, either of the parties may for any reason terminate the consulting agreement by giving 30 days written notice to the other to that effect and the Corporation shall not be liable to pay Ms. Vidovic any form of severance.

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

The following table sets out for each director, the incentive stock options to purchase Common Shares (option-based awards) held as of the end of the last financial year (November 30, 2012). The closing price of the Shares on the Exchange on that date was \$3.14.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	(m/d/y)	Value of unexercised ‘in-the-money’ options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Winn	20,000	1.02	07/24/2017	42,400	0	0
	135,000	0.65	10/17/2016	336,150	0	0
David Knox	20,000	1.02	07/24/2017	42,400	0	0
	75,000	0.65	10/17/2016	186,750	0	0
Miljana Vidovic	50,000	1.02	10/17/2017	106,000	0	0
	150,000	0.65	10/17/2016	373,500	0	0

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	(m/d/y)	Value of unexercised 'in-the-money' options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Geoff Chater	20,000	1.02	07/24/2017	42,400	0	0
	75,000	0.65	10/17/2016	186,750	0	0
Miles Thompson	50,000	1.02	07/24/2017	106,000	0	0
	150,000	0.65	10/17/2016	373,500	0	0

***Value of Share-Based and Option-Based Awards Vested or Earned During the Year***

The following table sets forth, for each director, the values of all incentive plan awards which vested or were earned during the last financial year.

Name	Option-based awards – Value vested <sup>(1)</sup> during the year (\$)	Share-based awards – Value vested <sup>(2)</sup> during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael D. Winn	0	0	0
David Knox	0	0	0
Miljana Vidovic	0	0	0
Geoff Chater	0	0	0
Miles Thompson	0	0	0

- (1) The value of an option based award is the product of the number of shares issuable on the exercise of the option on the vesting date multiplied by the difference between the exercise price and the closing market price on the vesting date. The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described above, using the following assumptions: stock price - \$1.02, exercise price - \$1.02, an option life of 5 years, a risk-free interest rate of 1.12% and a volatility of 100%. Please see the table under “Share-based and Option-based Awards to Directors” for the “in-the-money” value of these options on November 30, 2012.
- (2) The value of a share based award is the product of the number of shares issuable on the vesting date multiplied by the closing market price on the vesting date. The Corporation has not granted any share based awards.

### ***Option-based Awards Exercised or Granted During the Year***

There were no option-based awards exercised by the directors during the Corporation's last completed financial year.

The following table sets forth the particulars of option-based awards granted during the Corporation's last completed financial year to each director.

<b>Name</b>	<b>Date of Grant (m/d/y)</b>	<b>Number of Option-Based Awards Granted</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date (m/d/y)</b>
Michael D. Winn	07/24/2012	20,000	1.02	07/24/2017
David Knox	10/17/2011	20,000	1.02	07/24/2017
Miljana Vidovic	10/17/2011	50,000	1.02	07/24/2017
Geoff Chater	10/17/2011	20,000	1.02	07/24/2017
Miles Thompson	10/17/2011	50,000	1.02	07/24/2017

### **H. Management Contracts**

Pursuant to a management service agreement dated July 1, 2011 as amended on January 1, 2012, between the Corporation and Seabord Services Corp. ("**Seabord**") of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation paid \$14,900 per month to Seabord in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Corporation, which services include David Miles in his capacity as CFO of the Corporation and Kim Casswell in her capacity as corporate secretary of the Corporation.

Seabord is a private Corporation wholly-owned by Michael D. Winn, a director of the Corporation.

### **Description of Stock Option Plan**

The Option Plan governs the grant of options to directors, executive officers and employees of and consultants to the Corporation and its subsidiaries and employees of a person or company that provides management services to the Corporation or its subsidiaries ("**Participants**"). The purpose of the Option Plan is to offer to Participants the opportunity to acquire a proprietary interest in the Corporation, thereby providing an incentive to such parties to promote the best interests of the Corporation and to provide the means to the Corporation to attract qualified persons.

The Option Plan is administered by the Board. The Option Plan provides that options will be issued pursuant to option agreements which shall provide for the expiration of such options on a date not later than 10 years after the issuance of such option. In the event of death of a Participant, options held by such optionee will expire the earlier of five years from the date of grant or one year from the date of death.

A maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance under the Option Plan provided that options may not be granted to an individual to purchase in excess of 5% of the then outstanding Common Shares (2% of the issued Common Shares, if the optionee is a consultant) during a 12 month period. Approval by disinterested Shareholders must be obtained (such approval has not been, nor is it intended to be, sought if

options granted under the Option Plan, together with all of the Corporation’s previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, could result, at any time, in (i) the number of Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the Shares outstanding at the time of granting, (ii) the grant to insiders, within a one year period, of options to purchase that number of Shares exceeding 10% of the outstanding Shares, or (iii) the issuance to any one insider and such insider’s associates, within a one year period, of Shares totalling in excess of 5% of the outstanding Shares

Options issued pursuant to the Option Plan will have an exercise price determined by the directors of the Corporation provided that the exercise price shall not be less than the closing trading price of the Shares on the Exchange on the day before the granting of the stock options.

Options granted under the Option Plan are non-transferable. No financial assistance is available to Optionees under the Option Plan.

The Board may from time to time alter, suspend or discontinue the Option Plan. Subject to the approval of the Exchange, the Board may also at any time amend or revise the terms of the Option Plan, provided that no such amendment or revision shall result in a material adverse change to the terms of any options granted under the Option Plan, unless Shareholder approval or disinterested Shareholder approval, as the case may be, is obtained for such amendment or revision.

The following table sets out, as at the end of the Corporation’s last completed financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all Shareholders) granted by the Corporation under its equity compensation plans.

***Securities Authorized For Issuance Under Equity Compensation Plans***

<b>Plan Category</b>	<b>Number of shares issuable upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of shares remaining available for issuance under equity compensation plans <sup>(1)</sup></b>
Equity compensation plans <b>approved</b> by Shareholders	2,307,500	\$0.76	1,852,516
Equity compensation plans <b>not approved</b> by Shareholders	-	-	-
<b>Total</b>	<b>2,307,500</b>	<b>\$0.76</b>	<b>1,852,516</b>

(1) Excluding the number of shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

At the Meeting, Shareholders will be asked to approve the Option Plan. See “Particulars of Matters to be Acted Upon – Approval of Stock Option Plan.”

## CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

### 1. Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is comprised of six directors of which two are independent. A director is “independent” if the director has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement. The definition of independence in NI 58-101 is the same as in National Instrument 52-110 – Audit Committees (“**NI 52-110**”).

The independent directors are Miles Thompson, David Knox and Geoff Chater. Michael Winn is not considered independent as the Corporation pays fees for management services to Seaboard Service Corp., a private company wholly-owned by Mr. Winn. See “Management Contracts” for a description of the material terms of the management services provided. Ms. Vidovic is not considered independent by virtue of being paid a monthly fee for providing consulting services to the Corporation. See “Director Compensation -Employment and Consulting Agreements” for a description of the material terms of the consulting agreement. Simon Ingram is not independent by virtue of him being a member of management of the Corporation (President and CEO).

The Board facilitates its exercise of independent supervision over the Corporation’s management through frequent meetings of the Board.

### 2. Directorships

Certain of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

Director	Other Issuers
Simon H. Ingram	N/A
Miles F. Thompson	Lara Exploration Ltd. Sypher Resources Ltd. Reservoir Capital Corp
Michael D. Winn	Alexco Resource Corp. Atico Mining Corporation Eurasian Minerals Inc. Iron Creek Capital Corp. Sprott Resource Corp. Lara Exploration Ltd. Nebo Capital Corp. Transatlantic Petroleum Ltd. Reservoir Capital Corp.



David Knox	N/A
Geoff Chater	Bearing Resources Ltd. Kiska Metals Ltd. Lara Exploration Inc. Luna Gold Corp.
Miljana Vidovic	N/A

### 3. Orientation and Continuing Education

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding the role of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background, since they are unique for each new director. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The Corporation has a Board policy manual (the "**Board Manual**") that provides a comprehensive introduction to the Board and its committees. The Board Manual contains the charters of the audit committee, corporate governance committee and the compensation committee. The Board Manual also contains the Whistleblower Policy, Board Mandate, and Code of Business Ethics and Conduct.

The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board Manual is reviewed on an annual basis and a revised copy is given annually to each director; and
- there is a technical presentation at Board meetings from time to time, focusing on either projects within the Corporation's hydro business or properties within the Corporation's mineral exploration and development business. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

### 4. Ethical Business Conduct

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. To facilitate meeting

this responsibility, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants. A copy of the Code is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.
- has established a Corporate Governance Committee as described below under 'Other Board Committees'.
- has established a Whistleblower Policy which details complaint procedures for financial concerns as further described below in 'Audit Committee – Complaints'.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis (MD&A) and press releases prior to their distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation's external auditor.
- actively monitors the Corporation's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

## **5. Nomination of Directors**

In order to identify new candidates for election, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under "Particulars of Matters to be Acted Upon – Election of Directors" and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

## **6. Compensation**

The Board has established a Compensation Committee which is responsible for reviewing the adequacy and form of compensation paid to the Corporation's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Compensation Committee evaluates the performance of the CEO and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations. For further information on the role of the Compensation Committee refer to "Statement of Executive Compensation – Compensation Discussion and Analysis".

## **7. Other Board Committees**

In addition to the Audit Committee, described in the next section, the Board has established a Compensation Committee, and a Corporate Governance Committee.

Committees of the Board are composed of a majority of independent directors. See "Particulars of Matters to be Acted Upon - 4. Election of Directors" for the members of the Board committees. The functions of these committees are described below.

*Compensation Committee:* The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Board, senior management and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation.

The Committee consists of three independent (outside, non-management) directors – Miles Thompson (Committee Chairman), Geoff Chater and David Knox. Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded corporations so that they are familiar with remuneration in the Corporation's industry.

For further details on the role of the Compensation Committee, refer to "Compensation Discussion and Analysis".

*Corporate Governance Committee:* The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is also responsible for assisting in the recruitment of new directors.

The Committee consists of three directors, two of whom are independent (outside, non-management) directors (Geoff Chater and David Knox) and one of whom is not an independent director (Michael Winn – Committee Chairman).

## **8. Assessments**

The Board and the Corporate Governance Committee have not established a process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## AUDIT COMMITTEE

### Overview

The Audit Committee of the Board is principally responsible for

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual meeting and negotiating the compensation of such external auditor.
- overseeing the work of the external auditor.
- reviewing the Corporation’s annual and interim financial statements, Management’s Discussion & Analysis (MD&A) and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Corporation.
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

### The Audit Committee’s Charter

The Board has adopted a Charter for the Audit Committee (the “**Charter**”) which sets out the Committee’s mandate, organization, powers and responsibilities. The complete Charter is attached to this Circular.

### Composition of the Audit Committee

The Audit Committee consists of three directors. Because it is listed on the Exchange the Corporation is classified as a ‘Venture Issuer’, and as such is exempt from the requirement that all of its members be independent. In addition, the Corporation’s governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation. The Audit Committee complies with this requirement.

The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

<u>Name of Member</u>	<u>Independent<sup>(1)</sup></u>	<u>Financially Literate<sup>(2)</sup></u>
Geoff Chater	Yes	Yes
David Knox	Yes	Yes
Michael Winn	No	Yes

(1) To be considered to be independent, a member of the 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 reasonably 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

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

are as follows:

Name of Member	Education	Experience
Geoff Chater	B. Sc Geology, Texas Christian University 1987	Mr. Chater has 22 years of international mineral exploration mining and capital markets experience. He is President and CEO of Bearing Resources Ltd. an exploration company focused in the Americas and the founder of a capital markets advisory firm, through which he provides advice related to finance in the exploration and mining sector.
David Knox	Completed extensive in-house Investment Banking/ Capital Markets, Trading and Risk Management training programs at Merrill Lynch, CRT-NationsBank / Bank of America. Currently member IOD Institute of Directors UK Currently member of the Institute of International Affairs UK	Mr. Knox is a senior executive officer for BBY Limited (an Australian independent financial services group which holds an Australian Financial Services License). Mr. Knox also was Head, of Energy Group/Exco Resource Banking Standard Bank from 2000 to 2006.
Michael Winn	Graduate course work in accounting and finance. BSc – Geology University of Southern California	Mr. Winn is currently President of Seaboard Capital Corp. Seaboard provides investment analysis and financial services to companies operating in the oil & gas mining, and energy sectors. Prior to starting Seaboard in January 2013, he was President of Terrasearch Inc. (1997 to 2012). Mr. Winn also worked as an analyst for a Global Resource Investments Ltd., a Southern California based brokerage firm, where he was responsible for the evaluation of emerging oil and gas and mining companies.

## **Complaints**

The Audit Committee has established a “**Whistleblower Policy**” which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only.*” Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The Audit Committee did not receive any complaints during the last financial year.

The Whistleblower Policy is reviewed by the Audit Committee on an annual basis.

## **Audit Committee Oversight**

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

## External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
November 30, 2012	\$46,665	0	0	0
November 30, 2011	\$20,000	\$29,019	0	0

- (1) The aggregate fees billed by the Corporation's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Corporation's auditor 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. These fees are related to the Plan of Arrangement with Reservoir Capital Corp. that completed on October 14, 2011.
- (3) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

## Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in 'Composition of the Audit Committee' above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation's Annual Information Form, if any, and this Circular).

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No individual who is, or who at any time during the year ended November 30, 2011 was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

Other than disclosed in this Circular, the Corporation is not aware of any material interest of any executive officer, director or nominee for director, or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors except for the current and future directors and executive officers of the Corporation and its subsidiaries, if any, inasmuch as, in the following year, they may be granted options to purchase shares of the Corporation pursuant to the Option Plan, ratification of which will be sought at the Meeting.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and the Corporation's Management's Discussion & Analysis for the last financial year, a copy of which is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and which, upon request, the Corporation will promptly provide free of charge (see 'Additional Information' below), there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, directly or indirectly, more than 10 percent of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### 1. Financial Statements and Auditor's Report

The Board has approved the financial statements of the Corporation, including the auditor's report thereon, for the year ended November 30, 2012, which will be tabled at the Meeting. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

### 2. Set Number of Directors to be Elected

At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution fixing the number of directors to be elected at six (6).**

### 3. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

**Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board.** Each director elected will hold office until the next annual meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the articles of the Corporation or the provisions of the corporate law to which the Corporation is subject.



<b>Name and Province or State and Country of Residence</b>	<b>Present Office and Date First Appointed a Director</b>	<b>Principal Occupation During the Past Five Years</b>	<b>Number of Common Shares <sup>(4)</sup></b>
<b>Simon H. Ingram</b> United Kingdom	President, CEO and Director January 25, 2011	President & CEO of the Corporation	569,148
<b>Miles F. Thompson <sup>(2)</sup></b> Brazil	Director January 25, 2011	Chairman of the Reservoir Capital Corp. (publicly traded hydroelectric energy company)  Chairman and Chief Executive Officer of Lara Exploration Ltd. (publicly traded mineral exploration company)	970,201
<b>Michael D. Winn <sup>(1)(3)</sup></b> California United States of America	Director October 14, 2011	President of Seabord Capital Corp. a private company that provides investment analysis and financial services to companies operating in the oil & gas mining, and energy sectors, January 2013 – present;. President of Terrasearch Inc., 1997 to 2012.	513,615
<b>Miljana Vidovic</b> Belgrade, Serbia	Director October 14, 2011	President and Chief Executive Officer of Reservoir Capital Corp.	504,457
<b>Geoff Chater <sup>(1)(2)(3)</sup></b> British Columbia, Canada	Director October 14, 2011	Corporate communications consultant, Namron Advisors	Nil
<b>David Knox <sup>(1)(2)(3)</sup></b> United Kingdom	Director October 14, 2011	Senior executive officer for BBY Limited (Australian independent financial services company)	Nil

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance Committee

(4) Number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the Record Date. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.

To the best of the Corporation's knowledge, no proposed director is, as at the date of this Information Circular, or was within 10 years before the date of this Circular, a director, CEO or CFO of any Corporation that:

- a) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or CFO; or
- b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the best of the Corporation's knowledge, no proposed director:

- a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any Corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 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 the director, executive officer or Shareholder.

To the best of the Corporation's knowledge, no proposed director has:

- a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with a securities regulatory authority; or
- b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

The above information has been furnished by the respective proposed directors individually.

#### **4. Appointment and Remuneration of an Auditor**

The firm of Davidson & Company LLP, Chartered Accountants ("**Davidson**"), of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is the auditor of the Corporation. Davidson was first appointed as auditor on May 16, 2011. **Unless otherwise directed, it is the intention of the Management Designees to vote the proxies in favour of the appointment of Davidson as the auditor of the Corporation for the ensuing year at a remuneration to be approved by the Board.**

#### **5. Ratification of Stock Option Plan**

The Option Plan is described under 'Executive Compensation – Description of Stock Option Plan'.

The policies of the Exchange require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed corporation's shares be approved annually by its Shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Following approval of the Option Plan by the Shareholders any options granted pursuant to the Option Plan will not require further Shareholder or Exchange approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

**Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.**

## 6. Adoption of Restricted Share Unit Plan

On March 13, 2013, the Board adopted, subject to Shareholder approval, a restricted share plan the “**RSU Plan**”). The Board adopted the RSU Plan since the Board believes it is desirable to have a wide range of incentive plans, including a restricted share plan, available to attract, retain and motivate officers and directors of the Corporation (“**Eligible Persons**”).

The RSU Plan provides that restricted share units (the “**Restricted Share Units**”) may be granted by the Compensation Committee (the “**Committee**”) to directors and officers of the Corporation as a discretionary payment in consideration for significant contributions to the long-term success of the Corporation.

Pursuant to the RSU Plan, the aggregate maximum number of Common Shares reserved for issuance under the RSU Plan in combination with the aggregate number of Common Shares issuable under all of the Corporation’s other equity incentive plans in existence from time to time, including the Corporation’s Option Plan, shall not exceed 10% of the issued and outstanding Common Shares, or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the TSX Venture Exchange Policies, and by the Shareholders of the Corporation. Notwithstanding the foregoing, the aggregate maximum number of Common Shares reserved for issuance under the RSU Plan shall be reduced by that number of RSUs which are issued in accordance with the provisions of the RSU Plan. In addition, the number of Common Shares which may be issuable under the RSU Plan and all of the Corporation's other previously established or proposed share compensation arrangements, within a 12 month period:

- (a) to any one Eligible Person shall not exceed 5% of the total number of issued and outstanding Common Shares on the date of the grant on a non-diluted basis;
- (b) to Insiders as a group within a 12 month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis; and
- (c) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the date of the grant on a non-diluted basis.

Unless redeemed earlier in accordance with the RSU Plan, the RSUs of each Eligible Person will be redeemed on or within 30 days after the Redemption Date (as defined below) for cash or Common Shares, as determined by the Committee, for an amount equal to the Fair Market Value (the closing market price of the Common Shares on the Exchange on the day prior to redemption) of a RSU. The “Redemption Date” in respect of any RSU means the third anniversary of the grant date on which such RSU was granted to the Eligible Person, unless (i) an earlier date has been approved by the Committee as the Redemption Date in respect of such RSU, or (ii) there is a “Change of Control” of the Corporation (as defined in the RSU Plan), the RSU Plan is terminated or upon an Eligible Person’s death or termination of employment.

Under the RSU Plan, the Board may from time to time amend or revise the terms of the RSU Plan or may discontinue the RSU Plan at any time. Subject to receipt of requisite disinterested Shareholder and stock exchange approval, the Board may make amendments to the RSU Plan to

- change the maximum number of Common Shares issuable under the RSU Plan,
- change the method of calculation of the redemption of RSUs held by Eligible Persons, and

- provide an extension to the term for the redemption of RSUs held by Eligible Persons.

All other amendments to the RSU Plan may be made by the Board without obtaining Shareholder approval.

If an Eligible Person ceases to be a Director or Officer for any reason (excluding death), all of the Eligible Person's Restricted Share Units which have vested at the time of such cessation shall be redeemed for cash and the remainder shall be cancelled. No amount shall be paid by the Corporation to the Eligible Person in respect of the Restricted Share Units so cancelled. If an Eligible Person ceases to be a Director or Officer due to death all of the Eligible Person's Restricted Share Units, whether vested or not at the time of death, shall be redeemed for cash or Common Shares as determined by the Committee.

In the event of a Change of Control, then the Corporation will redeem, subject to prior approval of the Exchange, 100% of the RSUs granted to the Eligible Persons and outstanding under the RSU Plan as soon as reasonably practical, but no later than 30 days following the Redemption Date for an amount of Common Shares equal to the number of RSUs then held by the Eligible Persons.

The Corporation has received conditional approval from the TSX Venture Exchange to the RSU Plan, subject to disinterested Shareholder approval. A copy of the RSU Plan is attached as Schedule "B" to this Circular.

#### **Disinterested Shareholder Approval Being Sought**

At the Meeting, disinterested Shareholders (being the approval of all of the Shareholders of the Corporation other than directors and officers of the Corporation) will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, in the form set out below (the "**RSU Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the RSU Plan.

The ordinary resolution must be approved by a simple majority of the votes cast at the Meeting in accordance with the rules and policies of the TSX Venture Exchange.

**The Board and management recommend the adoption of the RSU Plan Resolution. Unless otherwise indicated, the persons designated as Proxyholders in the accompanying Proxy will vote the Common Shares represented by Proxy, properly executed, for the RSU Plan Resolution.**

"RESOLVED, with or without amendment, THAT:

1. subject to receipt of the final approval of the TSX Venture Exchange, the adoption of the Restricted Share Unit Plan by the Corporation, substantially in the form attached to the Information Circular of the Corporation dated March 13, 2013 as Schedule "B", pursuant to which the directors of the Corporation may, from time to time and subject to the restrictions as laid out in the Plan, grant Restricted Share Units to Eligible Persons under the Plan entitling such Eligible Persons to acquire common shares of the Corporation as fully paid and non-assessable common shares, be and is hereby authorized and approved; and
2. any director or officer of the Corporation be and is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be

delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolutions.”

#### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information for the Corporation’s most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR. Shareholders may contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-669-4854) or e-mail ([kcasswell@seabordservices.com](mailto:kcasswell@seabordservices.com)) to request copies of the Corporation’s financial statements and MD&A.

**DATED** this 21<sup>st</sup> day of March, 2013.

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) KIM C. CASSWELL  
Corporate Secretary

**SCHEDULE A****RESERVOIR MINERALS INC.  
(the “Corporation”)****Audit Committee Charter****A. Composition and Process**

1. The audit committee of the Corporation (the “**Audit Committee**”) shall be composed of a minimum of three members of the board of directors of the Corporation (the “**Board of Directors**”), a majority of whom are independent. An independent director, as defined in *National Instrument 52-110 - Audit Committees* (“**NI 52-110**”) is a director who has no direct or indirect material relationship which could, in the view of the Corporation’s Board of Directors, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110.
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The chairperson of the Audit Committee (the “**Chairperson**”) shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee are encouraged to become financially literate if they are not already. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Corporation’s financial statements.
5. The Chairperson shall, in consultation with management, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
6. The Audit Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies where applicable to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.
9. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

**B. Authority**

10. Appointed by the Board of Directors pursuant to provisions of the *Business Corporations Act* (British Columbia) and the articles of the Corporation.

11. Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.
12. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
13. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
14. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
15. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Corporation as directed by the Audit Committee.

#### **C. Relationship with External Auditors**

16. An external auditor must report directly to the Audit Committee.
17. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
18. The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least an annual basis in the absence of management.

#### **D. Accounting Systems, Internal Controls and Procedures**

19. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
20. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
21. Direct the external auditor's examinations to particular areas.
22. Review control weaknesses identified by the external auditor, together with management's response.
23. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
24. In order to preserve the independence of the external auditor the Audit Committee will:

- (a) recommend to the Board of Directors the external auditor to be nominated; and
  - (b) recommend to the Board of Directors the compensation of the external auditor's engagement;
25. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
  26. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
  27. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation.
  28. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
  29. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor's participant status has not been terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

#### **E. Statutory and Regulatory Responsibilities**

30. Annual Financial Information - review the annual audited financial statements and related management's discussion and analysis ("MD&A"), including any related press releases if same contains material information, and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
31. Annual Report - review the management MD&A section and all other relevant sections of the annual report, if prepared, to ensure consistency of all financial information included in the annual report.
32. Interim Financial Statements - review the quarterly interim financial statements and related MD&A, related press releases and recommend their approval to the Board of Directors.
33. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.

#### **F. Reporting**

34. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
35. Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.



**G. Other Responsibilities**

36. Investigating fraud, illegal acts or conflicts of interest.
37. Discussing selected issues with corporate counsel or the external auditor or management.

**SCHEDULE B****RESERVOIR MINERALS INC.**  
**RESTRICTED SHARE UNIT PLAN**

(Effective March 13, 2013)

**Article 1**  
**GENERAL PROVISIONS****1.1 Purpose**

This Restricted Share Unit Plan is established as a method by which equity-based incentives may be awarded to the directors, officers and employees of, and consultants to, the Corporation to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with the shareholders of the Corporation.

**1.2 Definitions**

As used in this Plan, the following terms have the following meanings:

- (a) “**Board**” means the Board of Directors of the Corporation;
- (b) “**Change of Control**” includes
  - (i) the acquisition by any persons “acting jointly or in concert” (as determined by the *Securities Act* (British Columbia)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation,
  - (ii) an amalgamation, merger, arrangement or other form of business combination of the Corporation with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination,
  - (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a related entity, or
  - (iv) any other transaction that is deemed to be a “**Change of Control**” for the purposes of this Plan by the Board in its sole discretion;
- (c) “**Committee**” means the Compensation Committee of the Board or such other committee or persons designated by the Board to determine the grants of Restricted Share Units and administer this Plan;
- (d) “**Common Share**” means a common share in the capital of the Corporation;
- (e) “**Consultant**” means “**Consultant**” as defined in the TSX-V Policies;

- (f) “**Consultant Company**” means a “**Consultant Company**” as defined in the TSX-V Policies;
- (g) “**Corporation**” means Reservoir Minerals Inc. and its successors and assigns;
- (h) “**Director**” means a director of the Board who is not an employee;
- (i) “**Disinterested Shareholder**” means a holder of Common Shares that is not an Eligible Person nor an associate (as defined in the *Securities Act* (British Columbia)) of an Eligible Person;
- (j) “**Dividend**” means a dividend declared and payable on a Common Share in accordance with the Corporation’s dividend policy as the same may be amended from time to time (an “**Ordinary Dividend**”), and may, in the discretion of the Board, include a special or stock dividend (a “**Special Dividend**”), and may, in the discretion of the Board, include a Special Dividend declared and payable on a Common Share;
- (k) “**Eligible Person**” means a Director, Officer, Employee or Consultant designated as an Eligible Person pursuant to Section 2.1;
- (l) “**Employee**” means an individual in the employment of the Corporation or any of its subsidiaries or of a company providing management or administrative services to the Corporation;
- (m) “**Exchange**” means, collectively, the TSX-V, any successor or and any other stock exchange or trading facilities through which the Shares trade or are quoted from time to time;
- (n) “**Fair Market Value**” means the closing price of the Common Shares on the Exchange on the Business Day immediately prior to the Redemption Date or, if the Common Shares are not listed on the Exchange, then on such other stock exchange or quotation system as may be selected by the Committee or Board, provided that, if the Common Shares are not listed or quoted on any other stock exchange or quotation system, then the Fair Market Value will be the value determined by the Committee or Board in its sole discretion acting in good faith;
- (o) “**Grant Date**” means any date determined from time to time by the Board as a date on which a grant of Restricted Share Units will be made to one or more Eligible Persons under this Plan;
- (p) “**Insider**” means an “**Insider**” as defined in the TSX-V Policies;
- (q) “**Officer**” means an officer of the Corporation that has been duly appointed by the Board;
- (r) “**Plan**” means this Restricted Share Unit Plan, as amended from time to time;
- (s) “**Redemption Date**” in respect of any Restricted Share Unit means the third anniversary of the Grant Date on which such Restricted Share Unit was granted to the Eligible Person, unless (i) an earlier date has been established or approved by the Board as the Redemption Date in respect of such Restricted Share Unit in order to create a staggered vesting scheme for a grant or for any other reason as the Board may determine, or (ii) Section 3.6, 4.1, 4.2, 6.2 is applicable, in which case the Redemption Date in respect of such Restricted Share Unit shall be the date established as such in accordance with the applicable Section;

provided that, notwithstanding any other provision hereof, in no event will the Redemption Date in respect of any Restricted Share Unit be after the end of the calendar year which is three years following the end of the year in which services to which the grant of such Restricted Share Unit relates were performed by the Eligible Person to whom such Restricted Share Unit was granted;

- (t) “**Reorganization**” means any declaration of any stock dividend (other than a Special Dividend in respect of which the Committee or Board, in its discretion, determines that Eligible Persons are to be paid a cash amount pursuant to Section 3.4, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than Ordinary Dividends) of the Corporation assets to shareholders or any other similar corporate transaction or event which the Committee or Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Eligible Persons under this Plan;
- (u) “**Restricted Share Unit**” means one notional Common Share (without any of the attendant rights of a shareholder of such Common Share, including, without limitation, the right to vote such Common Share and the right to receive dividends thereon, except to the extent otherwise specifically provided herein) credited by bookkeeping entry to a notional account maintained by the Corporation in respect of an Eligible Person in accordance with this Plan;
- (v) “**Subsidiary**” has the meaning set out in the *Securities Act* (British Columbia);
- (w) “**TSX-V**” means the TSX Venture Exchange; and
- (x) “**TSX-V Policies**” means the policies included in the TSX-V Corporate Finance Manual and “**TSX-V Policy**” means any one of them.

### 1.3 Effective Date

This Plan shall be effective March 13, 2013 provided that no Common Shares may be issued under this Plan until and unless all required Exchange, regulatory and shareholder approvals have been obtained with respect to the issuance of Restricted Share Units and Common Shares hereunder.

### 1.4 Governing Law; Subject to Applicable Regulatory Rules

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The provisions of this Plan shall be subject to the applicable by-laws, rules and policies of the Exchange and applicable securities legislation.

## Article 2 ELIGIBILITY AND PARTICIPATION

### 2.1 Eligibility

This Plan applies to those persons who the Committee or Board designates as Eligible Persons for a grant of Restricted Share Units pursuant to Section 3.1. The Committee or Board shall make such a designation prior to each Grant Date.

## 2.2 Rights Under this Plan

Subject to Sections 4 and 5, an Eligible Person granted Restricted Share Units shall continue to have rights in respect of such Restricted Share Units until such Restricted Share Units have been redeemed for cash or Common Shares or terminated without vesting in accordance with this Plan.

## 2.3 Copy of this Plan

The Corporation shall provide each Eligible Person with a copy of this Plan following the initial grant of Restricted Share Units to such Eligible Person and with a copy of all amendments to this Plan.

## 2.4 Limitation on Rights

- (a) Nothing in this Plan shall confer on any person any right to be designated as an Eligible Person or to be granted any Restricted Share Units.
- (b) There is no obligation for uniformity of treatment of Eligible Persons or any group of Eligible Persons, whether based on salary or compensation, grade or level or organizational position or level or otherwise.
- (c) A grant of Restricted Share Units to an Eligible Person on one or more Grant Dates shall not be construed to create a right to a grant of Restricted Share Units on a subsequent Grant Date.

## 2.5 Grant Agreements

- (a) Each grant of Restricted Share Units shall be evidenced by a written agreement executed by the Eligible Person in substantially the form appended as Schedule A hereto.
- (b) An Eligible Person will not be entitled to any grant of Restricted Share Units or any benefit of this Plan unless the Eligible Person agrees with the Corporation to be bound by the provisions of this Plan.
- (c) By entering into an agreement described in this Section 2.5, each Eligible Person shall be deemed conclusively to have accepted and consented to all terms of this Plan and all *bona fide* actions or decisions made by the Committee or Board. Such terms and consent shall also apply to and be binding on the legal representative, beneficiaries, heirs and successors of each Eligible Person.

## 2.6 Limits on Common Shares Issuable on Exercise

- (a) The number of Common Shares which may be reserved for issuance under this Plan:
  - (i) in combination with the aggregate number of Common Shares which may be issuable under any and all of the Corporation's equity incentive plans in existence from time to time, including the Corporation's Stock Option Plan, shall not exceed 10% of the issued and outstanding Common Shares of the Corporation, or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the TSX-V Policies or any Exchange, and by the shareholders of the Corporation; and

- (ii) to any one Eligible Person within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.
- (b) The number of Common Shares which may be issuable under this Plan and all of the Company's other previously established or proposed share compensation arrangements, within any one-year period:
  - (i) to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis;
  - (ii) to Insiders as a group within a 12 month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis; and
  - (iii) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis.

## **2.7 No Fractional Shares**

No fractional Common Shares may be issued under this Plan.

## **Article 3 RESTRICTED SHARE UNITS**

### **3.1 Grant of Restricted Share Units**

On each Grant Date, the Board, in its sole discretion and based on the recommendations of the Committee, shall designate Eligible Persons and determine the number and vesting of Restricted Share Units to be granted to each Eligible Person. Such grants may have one or more Redemption Dates in order to allow for different vesting dates of the Restricted Share Units.

### **3.2 Redemption of Restricted Share Units**

- (a) Unless redeemed earlier in accordance with this Plan, the Restricted Share Units of each Eligible Person will be redeemed within 30 days after each applicable Redemption Date for cash equal to the Fair Market Value of a Restricted Share Unit (net of any applicable statutory withholdings) on the Redemption Date or an equal number of Common Shares, as determined by the Board at the time of granting of the Restricted Share Units.
- (b) If the Board determines that any Restricted Share Units are to be redeemed for Common Shares, the Eligible Person will be entitled to receive and the Corporation will issue to the Eligible Person an equal number of Common Shares (net of any applicable statutory withholdings) that have vested on the Redemption Date.

### **3.3 Compliance with Tax Requirements**

- (a) Each Eligible Person (or the heirs and legal representatives of the Eligible Person) shall bear any and all income or other tax imposed on amounts paid to the Eligible Person (or the heirs and legal representatives of the Eligible Person) under this Plan.

- (b) In taking any action hereunder, or in relation to any rights hereunder, the Corporation and each Eligible Person shall comply with all provisions and requirements of any income tax, pension plan, or employment or unemployment insurance legislation or regulations of any jurisdiction which may be applicable to the Corporation or Eligible Person, as the case may be.
- (c) The Corporation shall have the right to deduct from all payments made to the Eligible Persons in respect of the Restricted Share Units, whether in cash or Common Shares, any federal, provincial, local, foreign or other taxes, Canadian Pension Plan, Employment Insurance or other deductions required by law to be withheld with respect to such payments. The Corporation may take such other action as the Board or Committee may consider advisable to enable the Corporation and any Eligible Person to satisfy obligations for the payment of withholding or other tax obligations relating to any payment to be made under this Plan.
- (d) If the Board or Committee so determines, the Corporation shall have the right to require, prior to making any payment under this Plan, payment by the recipient of the excess of any applicable Canadian or foreign federal, provincial, state, local or other taxes over any amounts withheld by the Corporation, in order to satisfy the tax obligations in respect of any payment under this Plan. If the Corporation does not withhold from any payment, or require payment of an amount by a recipient, sufficient to satisfy all income tax obligations, the Eligible Person shall make reimbursement, on demand, in cash, of any amount paid by the Corporation in satisfaction of any tax obligation. Notwithstanding any other provision hereof, in taking such action hereunder, the Board and Committee shall endeavour to ensure that the payments to be made hereunder will not be subject to the “salary deferral arrangement” rules under the *Income Tax Act* (Canada), as amended, or income tax legislation of any other jurisdiction.

### **3.4 Payment of Dividend Equivalents**

When Dividends are paid on Common Shares, an Eligible Person shall be credited with Dividend equivalents in respect of the Restricted Share Units credited to the Eligible Person’s account as of the record date for payment of Dividends. Such Dividend equivalents shall be converted into additional Restricted Share Units (including fractional Restricted Share Units) based on the Fair Market Value per Common Share on the date credited.

### **3.5 Adjustments**

- (a) If any change occurs in the outstanding Common Shares by reason of a Reorganization, the Committee or Board, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Committee or Board may consider equitable, to reflect such change or event including, without limitation, adjusting the number of Restricted Share Units credited to Eligible Persons and outstanding under this Plan, provided that any such adjustment will not otherwise extend the Redemption Date otherwise applicable.
- (b) The Corporation shall give notice to each Eligible Person of any adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes.

- (c) The existence of outstanding Restricted Share Units shall not affect in any way the right or power and authority of the Corporation or its shareholders to make or authorize any alteration, recapitalization, reorganization or any other change in the Corporation's capital structure or its business or any merger or consolidation of the Corporation, any issue of bonds, debentures or preferred or preference shares (ranking ahead of the Common Shares or otherwise) or any right thereto, or the dissolution or liquidation of the Corporation, any sale or transfer of all or any part of its assets or business or any corporate act or proceeding whether of a similar character or otherwise.

### **3.6 Offer for Common Shares – Change of Control**

Notwithstanding anything else herein to the contrary but subject to prior approval of the Exchange, if required, the Corporation shall redeem, in the event of a Change of Control, 100% of the Restricted Share Units granted to the Eligible Persons and outstanding under this Plan as soon as reasonably practical, but no later than 30 days following the Redemption Date for an equal number of Common Shares. For the purposes of this Section 3.6, the Redemption Date shall be the date on which the Change of Control occurs.

## **Article 4 EVENTS AFFECTING ENTITLEMENT**

### **4.1 Termination of Employment or Election as a Director**

- (a) If an Eligible Person ceases to be a Director, Officer, Consultant or employee of the Corporation for any reason (excluding death), all of the Eligible Person's Restricted Share Units which have vested at the time of such cessation shall be redeemed for cash at the Fair Market Value of a Restricted Share Unit on the Redemption Date (net of any statutory withholdings), an equal number of Common Shares or a combination of cash and Common Shares as may be determined by the Board, in the its sole discretion and the remainder shall be cancelled. No amount shall be paid by the Corporation to the Eligible Person in respect of the Restricted Share Units so cancelled. For the purposes of this Section 4.1(b), the Redemption Date shall be the date on which the employment or retainer of the Eligible Person, other than a Director, is terminated irrespective of any entitlement of the Eligible Person to notice, pay in lieu of notice or benefits beyond the termination date.
- (b) The Restricted Share Units of a Director who is not re-elected at an annual or special meeting of shareholders shall be redeemed for cash at the Fair Market Value of a Restricted Share Unit on the Redemption Date (net of any statutory withholdings), an equal number of Common Shares or a combination of cash and Common Shares as may be determined by the Board, in the its sole discretion. For purposes of this Section 4.1(b), the Redemption Date shall be the date on which the annual or special meeting is held.

### **4.2 Death**

All of the Restricted Share Units, whether vested or not, of an Eligible Person who dies shall immediately vest and be redeemed in accordance with Section 3.2. For the purposes of the foregoing, the Redemption Date shall be the date of the Eligible Person's death.

### **4.3 No Grants Following Last Day of Active Employment**

- (a) In the event of termination of any Eligible Person's employment with the Corporation, such Eligible Person shall not be granted any Restricted Share Units pursuant to Section 3.1 after



the last day of active employment of such Eligible Person. Without limiting the generality of the foregoing and of Section 2.4, notwithstanding any other provision hereof or any provision of any employment agreement between any Eligible Person and the Corporation, no Eligible Person will have any right to be awarded additional Restricted Share Units, and shall not be awarded any Restricted Share Units, pursuant to Section 3.1 after the last day of active employment of such Eligible Person on which such Eligible Person actually performs the duties of the Eligible Person's position, whether or not such Eligible Person receives a lump sum payment of salary or other compensation in lieu of notice of termination, or continues to receive payment of salary, benefits or other remuneration for any period following such last day of active employment.

- (b) Notwithstanding any other provision hereof, or any provision of any employment agreement between the Corporation and an Eligible Person, in no event will any Eligible Person have any right to damages in respect of any loss of any right to be awarded Restricted Share Units pursuant to Section 3.1 after the last day of active employment of such Eligible Person and no severance allowance, or termination settlement of any kind in respect of any Eligible Person will include or reflect any claim for such loss of right and no Eligible Person will have any right to assert, claim, seek or obtain, and shall not assert, claim, seek or obtain, any judgment or award in respect of or which includes or reflects any such right or claim for such loss of right.

## **Article 5 ADMINISTRATION**

### **5.1 Transferability**

Rights respecting Restricted Share Units shall not be transferable or assignable other than by will or the laws of decent and distribution.

### **5.2 Administration**

- (a) The Board shall, in its sole and absolute discretion, but subject to applicable corporate, securities and tax law requirements:
- (i) interpret and administer this Plan;
  - (ii) establish, amend and rescind any rules and regulations relating to this Plan; and
  - (iii) make any other determinations that the Board deems necessary or desirable for the administration and operation of this Plan.
- (b) The Board may delegate to any person any administrative duties and powers under this Plan.
- (c) The Board may correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or desirable.
- (d) Any decision of the Board or Committee with respect to the administration and interpretation of this Plan shall be conclusive and binding on the Eligible Person and his or her legal representative.

- (e) The Board may establish policies respecting minimum ownership of Common Shares of the Corporation by Eligible Persons and the ability to elect Restricted Share Units to satisfy any such policy.

### **5.3 Records**

The Corporation will maintain records indicating the number of Restricted Share Units credited to an Eligible Person under this Plan from time to time and the Grant Dates of such Restricted Share Units. Such records shall be conclusive as to all matters involved in the administration of this Plan.

### **5.4 Statements**

The Corporation shall furnish annual statements to each Eligible Person indicating the number of Restricted Share Units credited to the Eligible Person and the Grant Dates of the Restricted Share Units and such other information that the Corporation considers relevant to the Eligible Person.

### **5.5 Legal Compliance**

Without limiting the generality of the foregoing, the Board or Committee may take such steps and require such documentation from Eligible Persons as the Board or Committee may determine are desirable to ensure compliance with all applicable laws and legal requirements, including all applicable corporate and securities laws and regulations of any country, and any political subdivisions thereof, and the rules, regulations and requirements of the Exchange and any applicable provisions of the *Income Tax Act* (Canada), as amended or income tax legislation or any other jurisdiction.

## **Article 6 AMENDMENT AND TERMINATION**

### **6.1 Amendment**

- (a) The Board reserves the right, in its sole discretion, to amend, suspend or terminate this Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders. Notwithstanding the foregoing, the Corporation will be required to obtain the Disinterested Shareholder approval for any amendment related to:
  - (i) the number or percentage of issued and outstanding Common Shares available for grant under this Plan;
  - (ii) a change in the method of calculation of redemption of Restricted Share Units held by Eligible Persons; and
  - (iii) an extension to the term for redemption of Restricted Share Units held by Eligible Persons.
- (b) Unless an Eligible Person otherwise agrees, any amendment to this Plan or Restricted Share Unit shall apply only in respect of Restricted Share Units granted on or after the date of such amendment.
- (c) Without limiting the generality of the foregoing, the Board may make the following amendments to this Plan, without obtaining shareholder approval:

- (i) amendments to the terms and conditions of this Plan necessary to ensure that this Plan complies with the applicable regulatory requirements, including the rules of the Exchange;
- (ii) amendments to the provisions of this Plan respecting administration of this Plan and eligibility for participation under this Plan;
- (iii) amendments to the provisions of this Plan respecting the terms and conditions on which Restricted Share Units may be granted pursuant to this Plan, including the provisions relating to the payment of the Restricted Share Units; and
- (iv) amendments to this Plan that are of a “housekeeping” nature.

## **6.2 Termination of this Plan**

- (a) The Board may from time to time amend or suspend this Plan in whole or in part and may at any time terminate this Plan. No such amendment, suspension or termination shall adversely affect the rights of any Eligible Person at the time of such amendment, suspension or termination with respect to outstanding and unredeemed Restricted Share Units credited to such Eligible Person without the consent of the affected Eligible Person.
- (b) If the Board terminates this Plan, no new Restricted Share Units will be awarded to any Eligible Person, but outstanding and unredeemed previously credited Restricted Share Units shall remain outstanding, be entitled to payments as provided under Section 3.4, and be paid in accordance with the terms and conditions of this Plan existing at the time of termination.
- (c) This Plan will finally cease to operate for all purposes when the last remaining Eligible Person receives a payment in satisfaction of all outstanding and unredeemed Restricted Share Units credited to such Eligible Person, or all outstanding and unredeemed Restricted Share Units credited to such Eligible Person are cancelled pursuant to the provisions thereof.

## **Article 7 GENERAL**

### **7.1 Rights to Common Shares**

- (a) This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, except as expressly provided herein.
- (b) A holder of Restricted Share Units shall not have rights as a shareholder of the Corporation with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

### **7.2 No Right to Employment**

- (a) This Plan shall not be interpreted as either an employment agreement.
- (b) Nothing in this Plan nor any Committee or Board guidelines or any agreement referred to in Section 2.5 nor any action taken hereunder shall be construed as giving any Eligible Person the right to be retained in the continued employ or service of the Corporation or any of its

subsidiaries, or giving any Eligible Person or any other person the right to receive any benefits not specifically expressly provided in this Plan nor shall it interfere in any way with any other right of the Corporation to terminate the employment or service of any Eligible Person at any time.

### **7.3 Right to Funds**

- (a) Neither the establishment of this Plan nor the granting of Restricted Share Units under this Plan shall be deemed to create a trust.
- (b) Amounts payable to any Eligible Person under this Plan shall be a general, unsecured obligation of the Corporation.
- (c) The right of the Officer to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Corporation.

### **7.4 Successors and Assigns**

This Plan shall be binding on all successors and assigns of the Corporation and an Eligible Person, including without limitation, the estate of such Eligible Person and the legal representative of such estate, or any receiver or trustee in bankruptcy or representative of the Corporation's or Eligible Person's creditors.

### **7.5 Severability**

If any provision of this Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.



# RESERVOIR MINERALS

## Schedule A RESTRICTED SHARE UNIT AGREEMENT

### RESTRICTED SHARE UNIT PLAN OF RESERVOIR MINERALS INC.

This Restricted Share Unit Grant Agreement is made the \_\_\_ day of \_\_\_\_\_, 201\_\_\_ between ●, the undersigned (the “**Eligible Person**”) and Reservoir Minerals Inc. (the “**Corporation**”) pursuant to the terms of the Restricted Share Unit Plan of the Corporation (which Plan, as the same may from time to time be modified, supplemented or amended and in effect is herein referred to as the “**Plan**”).

In consideration of the grant of \_\_\_\_\_ Restricted Share Units to the Eligible Person on \_\_\_\_\_, 201\_\_\_, pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), the Eligible Person hereby agrees and confirms that:

1. The Eligible Person has received a copy of the Plan and has read, understands and agrees to be bound by the provisions of the Plan.
2. The Eligible Person accepts and consents to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of the Plan and all *bona fide* actions or decisions made by the Board, Committee, or any person to whom the Board or Committee may delegate administrative duties and powers in relation to the Plan, which terms and consent shall also apply to and be binding on the legal representatives, beneficiaries and successors of the undersigned.
3. The Restricted Share Units shall vest and be redeemed as follows:

Number of Restricted Share Units	Redemption (Vesting) Date	Redemption to be satisfied in	
		Cash	Shares
●[A]	●, 20●	0	●[A]
●[B]	●, 20●	Yes	0
●[C]	●, 20●	●% of [C]	100% – {●% of [C]}%

4. The Eligible Person will not make any claim under any consulting, employment or other agreement for any rights or entitlement under the Plan or damages in lieu thereof except as expressly provided in the Plan.
5. Pursuant to the requirements of the TSX-V, the Common Shares issuable pursuant to this Agreement will be subject to restrictions on disposition for a period of four months from the Grant Date and, if issued before the fourth month after the Grant Date, will be legended accordingly. There may be restrictions imposed under securities legislation of Canada and your country of residence on your ability to sell shares acquired on exercise of this stock option. If you are in doubt about the applicable requirements, you should consult a lawyer.
6. If you are, or become, a resident of the United States of America, you hereby represent and warrant to, and covenant with, the Company (and it shall be a condition of exercising your stock option and the Company may require you to execute an instrument in a form acceptable to it confirming the following) that you:
  - (a) will acquire any shares upon the exercise of your option as an investment and not with a view to distribution;
  - (b) undertake not to offer or sell or otherwise dispose of the shares unless the shares are subsequently registered under the *Securities Act of 1933* (United States), as amended, or an exemption from registration is available;
  - (c) consent to the placing of a restrictive legend on any share certificates issued to you should such be necessary in order to comply with securities laws applicable to you or the Company; and
  - (d) acknowledge that securities laws applicable to you or the Company may require you to hold any shares issued to you for a certain period prior to resale thereof.
7. You acknowledge and consent to the Company:
  - (a) collecting your personal information for the purposes of this Agreement;
  - (b) retaining the personal information for as long as permitted or required by applicable law or business practices; and
  - (c) providing to various governmental and regulatory authorities, as may be required by applicable securities laws, stock exchange rules, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by you.
8. If you are resident in Ontario, you acknowledge you have been notified by the Company:

- (a) of the delivery to the Ontario Securities Commission (the “OSC”) of your personal information;
- (b) that your personal information is being collected indirectly by the OSC under the authority granted to it in the securities legislation;
- (c) your personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
- (d) the contact information of the public official in Ontario who can answer questions about the OSC’s indirect collection of personal information is

Administrative Support Clerk  
Ontario Securities Commission  
Suite 1903, Box 55, 20 Queen Street West  
Toronto, Ontario M5H 3S8  
Telephone 416-593-3684, Facsimile 416-593-8252

This Agreement shall be determined in accordance with the laws of the province of British Columbia and the laws of Canada applicable therein. Words used herein which are defined in the Plan shall have the respective meanings ascribed to them in the Plan.

**RESERVOIR MINERALS INC.**

**ELIGIBLE PERSON**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature  
●[Name]