



LUPAKA GOLD CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

Meeting to be held on June 4, 2015

DATED: MARCH 31, 2015



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “**Meeting**”) of shareholders of LUPAKA GOLD CORP. (the “**Company**” or “**Lupaka**”) will be held at the offices of DuMoulin Black LLP, located at 595 Howe Street, 10th floor, Vancouver, British Columbia V6C 2T5, **on Thursday, June 4, 2015 at 10:00 a.m.** (Pacific Time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the year ended December 31, 2014 together with the report of the auditors thereon;
2. To set the number of directors for the ensuing year at seven (7);
3. To elect the directors for the ensuing year;
4. To appoint PricewaterhouseCoopers LLP as the auditors of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditors;
5. To consider and, if thought fit, pass, with or without variation, an ordinary resolution approving the Company’s amended and restated 2010 Incentive Stock Option Plan; and
6. To transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by a Management Information Circular (“**Circular**”) which provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of, this notice of Meeting. The Company urges shareholders to review the Circular before voting.

The board of directors of the Company has by resolution fixed the close of business on April 8, 2015 as the record date being the date for the determination of the registered holders of common shares entitled to receive notice of and to vote at the Meeting and any adjournment thereof.

Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy and deposit it with the Company’s transfer agent by 10:00 a.m. (Pacific Time) on June 2, 2015, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment or postponement of the Meeting. Any adjourned or postponed Meeting will be held at a time and place to be specified either by the Company before the Meeting or by the Chair at the Meeting to be adjourned or postponed.

Non-registered shareholders of the Company who have received this notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), are required to complete and return the materials in accordance with the instructions provided by the Intermediary.

DATED at Vancouver, British Columbia this 29th day of April, 2015.

By Order of the Board of Directors

/s/ Gordon L. Ellis
Gordon L. Ellis
Executive Chairman of the Board



MANAGEMENT INFORMATION CIRCULAR

THE MEETING

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies being undertaken by the management of Lupaka Gold Corp. (the “**Company**”, or “**Lupaka**”) for use at the Annual General Meeting of the Company’s shareholders (“**Shareholders**”) to be held on Thursday, June 4, 2015 at 10:00 am (Pacific Time) (the “**Meeting**”) for the purposes set forth in the accompanying notice of meeting (“**Notice of Meeting**”) or any adjournment thereof, at the offices of DuMoulin Black LLP, located at 595 Howe Street, 10th floor, Vancouver, British Columbia V6C 2T5.

The information contained in this Circular is given as of March 31, 2015, unless otherwise indicated. No person is authorized to give any information or to make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized.

The Notice of Meeting and accompanying form of proxy are being mailed on or about April 29, 2015. In this Circular, references to “the Company”, “Lupaka”, “we” and “our” refer to Lupaka Gold Corp. “**Common Shares**” means common shares without par value in the capital of the Company, “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that hold securities on behalf of Beneficial Shareholders. Unless otherwise indicated, all references to “\$” or “dollars” in this Circular mean Canadian dollars.

VOTING INFORMATION

Lupaka’s management is using this Circular to solicit proxies from the Shareholders for use at the Meeting.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but Lupaka’s directors, officers and regular employees may also solicit proxies personally or by telephone. Lupaka will bear all costs of the solicitation. Lupaka has arranged for Intermediaries to forward solicitation materials to beneficial owners of Common Shares held of record by those Intermediaries and Lupaka may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

COMPLETION AND VOTING OF PROXIES

Voting of Proxies

The Common Shares represented by the accompanying form of proxy, if properly executed and received at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 9th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1, by no later than **10:00 a.m. (Pacific Time)** on June 2, 2015 or, if the Meeting is adjourned, then not less than 48 hours (excluding Saturdays, Sundays and holidays) before any such adjourned meeting, will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made. **In the absence of such a specification, the persons designated in the accompanying form of proxy will vote in favour of all matters to be acted on at the Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters set forth in the accompanying Notice of Meeting, or all other business or matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other business or matters to come before the Meeting.

Registered Holders

Only Shareholders registered as shareholders in the Company's shareholder registry maintained by the Company's registrar and transfer agent ("**Registered Shareholders**") or duly appointed Proxyholders (except as discussed below under the heading "*Beneficial (Non-Registered) Shareholders*") are permitted to vote at the Meeting.

Beneficial (Non-Registered) Shareholders

Shareholders who hold Common Shares through their brokers, intermediaries, trustees, or other nominees (such shareholders being collectively called "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the share register of the Company may be recognised and acted upon at the Meeting. If Common Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder **will not** appear on the share register of the Company. Such shares will most likely be registered in the name of the broker or an agent of the broker. The vast majority of such shares will be registered in the name of "**CDS & Co.**", the registration name of The Canadian Depository for Securities Limited, which acts as nominee for many brokerage firms. Such shares can only be voted by brokers, agents, or nominees and can only be voted by them in accordance with instructions received from Beneficial Shareholders. **As a result Beneficial Shareholders should carefully review the Voting Instruction Form provided by their broker, agent or nominee along with this proxy Circular and ensure that they direct the voting of their shares in accordance with those instructions.**

Applicable regulatory policies require brokers and intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Each broker or intermediary has its own mailing procedures and provides its own return instructions to clients. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by such shareholder's broker, agent or nominee is limited to instructing the registered holder on how to vote such shares on behalf of the Beneficial Shareholders. Most brokers in Canada now delegate responsibility to obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares voting instruction forms, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of such shares to the Company's registrar and transfer agent, Computershare Investor Services Inc. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote their shares at the Meeting. Instead the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

Beneficial Shareholders should follow the instructions on the forms that they receive and contact their Intermediaries promptly if they need assistance.

Notice and Access

In February 2013, the Canadian Securities Administrators implemented regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to deliver proxy-related materials to Shareholders using the "notice-and-access" mechanism (as defined in National Instrument 54-101) by posting such materials on an easily accessible website, rather than mailing physical copies of the materials.

The Company will deliver the notice of Meeting, this Circular and the form of proxy (the "**Meeting Materials**") to Registered Shareholders and Beneficial Shareholders in Canada and the United States by posting the Meeting Materials on its website at <http://www.Lupakagold.com/s/financialreports.asp>. The Meeting Materials will be available on the Company's website as of Wednesday, April 29, 2015, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at www.sedar.com as of Wednesday, April 29, 2015.

Those Shareholders residing outside of Canada or the United States will be receiving paper copies of the Meeting Materials.

Shareholders who reside in Canada and the United States that wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-844-851-1260. The Company will send paper copies of the Meeting Materials to requesting Shareholders at no cost to them within three business days of their request, by prepaid mail, courier or the equivalent, if such requests are made before the Meeting. If such requests are made after the Meeting, the Meeting Materials will be sent within ten calendar days after receiving the request.

Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

In accordance with applicable securities laws, the Company has elected to send the notice-and-access notification indirectly, through Intermediaries, to NOBOs and OBOs and directly to Registered Shareholders. The Intermediaries (or their service companies) are responsible for forwarding the notice and access notification and Meeting Materials to each OBO and NOBO, unless the OBO and NOBO has waived the right to receive them. The Company has elected to pay to distribute its Meeting Materials to the OBOs.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are directors and officers of the Company. **Registered Shareholders have the right to appoint as their proxy some other person or company of their choice, provided that Registered Shareholders that are individuals must only appoint another Registered Shareholder as their proxy.**

A Registered Shareholder, desiring to appoint some other person or company to represent them at the Meeting, may do so either by inserting the name of such person or company in the blank space provided in the accompanying form of proxy and striking out the names of the management nominees or by duly completing another proper form of proxy and, in either case, depositing the completed proxy at the offices of the Company’s registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 9th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1, before the specified time described in the previous section.

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it: (a) by attending the Meeting and voting the Registered Shareholder’s Common Shares, (b) by fully executing another form of proxy bearing a later date and duly depositing the same before the specified time, or (c) by executing a valid notice of revocation (where a new proxy is not also filed).

A later dated proxy or notice of revocation must be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, by an officer or attorney duly authorized, and delivered by fax to 1-866-249-7775, or by mail (via postage paid return envelope) to Computershare Investor Services Inc., attention: Proxy Department, 9th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1, or to the head office of the Company located at #220 – 800 Pender Street West, Vancouver, British Columbia, Canada, V6C 2V6.

A later dated proxy may be received at any time up to and including the business day before the Meeting, or if the Meeting is adjourned, at any time up to and including the last business day before any reconvening thereof at which the proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy.

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

EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such shares will be voted at the discretion of the person named in the proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known

to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

RECORD DATE AND QUORUM

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is April 8, 2015. Only persons who were Registered Shareholders as of the close of business on April 8, 2015 are entitled to vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Circular. A quorum for the Meeting shall be two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares (the "Preferred Shares") without par value. As at March 31, 2015, the Company has a total of 92,545,110 issued and outstanding Common Shares, each share carrying the right to one vote. The Company has no Preferred Shares issued and outstanding as at the date hereof. The outstanding Common Shares are listed for trading on each of the Venture Exchange of the Toronto Stock Exchange (the "TSX.V") and the Venture Exchange Section of the Lima Stock Exchange (*Segmento Junior de la Bolsa de Valores de Lima*) both under the symbol "LPK" and in Germany on the Frankfurt Stock Exchange under the symbol "LQP". Effective February 17, 2015 the Company's Common Shares delisted from the Toronto Stock Exchange and commenced trading on the TSX.V February 18, 2015.

To the knowledge of the directors and executive officers of the Company, the only persons who, or corporations which, beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company are:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Gordon L. Ellis	11,773,373 ⁽¹⁾	12.7%

Note:

- (1) This amount includes 341,500 Common Shares held directly by Mr. Gordon Ellis; 100,000 held by Loadxi Minerals Limited ("Loadxi Minerals"), a company wholly-owned by Mr. Ellis; 2,293,164 Common Shares held by Gordann Consultants Inc. ("Gordann Consultants"), a company in which Mr. Ellis holds a 51% interest and his spouse holds a 49% interest; 2,295,368 Common Shares held by ABE Industries (1980) Inc. ("ABE Industries"), a company that is wholly-owned by Gordann Consultants, and 6,743,341 Common Shares held by K-Rok Minerals Inc. ("K-Rok Minerals"), a company of which ABE Industries owns a 60% interest and Mr. Ellis through his majority ownership in Gordann controls voting and dispositive powers.

NUMBER OF DIRECTORS

The board of directors of the Company (the "Board") is a variable board consisting of the greater of three and the most recent number of directors set by ordinary resolution. As at the last Annual General Meeting the size of the Board was set at eight (8) directors. In February, 2015 the Board accepted the resignation of Mr. Hernan Barreto as director. Management of the Company is seeking Shareholder approval through an ordinary resolution to fix the number of directors of the Company at seven (7) for the ensuing year.

ELECTION OF DIRECTORS

The Board presently consists of seven directors. The term of office of each of the current directors will end immediately before the election of directors at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a director. Unless the director's office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia)

and the Articles of the Company, each director elected will hold office until the next Annual General Meeting or until his successor is appointed.

At the Meeting, the Company will ask Shareholders to vote for the election of each of the seven nominees proposed by the Company as directors. Each holder of Common Shares will be entitled to cast their votes for, or withhold their votes from, the election of each director. **The management proxyholders named in the accompanying form of proxy as proxyholders intend to vote FOR the election of each nominee whose names are set forth in this Circular, unless instructed otherwise.**

Majority Voting for the Election of Directors

The Board is committed to the principle that thorough review and consideration should be undertaken if a nominee for director in an uncontested election of directors does not receive the affirmative vote of at least the majority of the votes cast at any meeting held for the elections of directors at which a quorum has been confirmed. To that end, the Board has adopted a majority voting policy.

Nominees

The following table sets forth for each of the persons proposed to be nominated for election as directors their name, city, province/state and country of residence; their principal occupations within the five preceding years; a brief biographical description; the period during which they have served as directors of the Company; their memberships with the applicable committees of the Company; and the number of securities of each class of voting securities of the Company or any of its subsidiaries, if any, beneficially owned, or controlled or directed, directly or indirectly. The three committees of the Board are: (i) Audit Committee (**AC**), (ii) Compensation Committee (**CC**) and (iii) Governance & Nominating Committee (**GNC**). For additional information regarding incumbent directors’ compensation, options, equity ownership, current directorships and attendance of each of the nominees, please refer to the sections of this Circular entitled “Statement of Executive Compensation”, “Compensation of Directors”, “Statement of Corporate Governance Practices” and “Other Directorships”.

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Number of Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed ⁽²⁾	Number of Options Held ⁽³⁾
Gordon L. Ellis			
British Columbia, Canada	11,773,373 ⁽⁴⁾	250,000	665,000
Director since: November 2000 Non-Independent Member of the Board	Principal Occupation for the Past Five Years: Business Executive. Mr. Ellis is a founder of the Company and has been a director of the Company since its incorporation in November 2000. From November 2000 until January 2011, Mr. Ellis acted as President of the Company. Since January 2011, he has acted as the Executive Chairman of the Company. Since September 2005, Mr. Ellis has been a director of United States Commodity Funds, LLC, which is the general partner of each of United States Oil Fund, LP, United States Natural Gas Fund, LP, United States 12 Month Oil Fund, LP, United States Gasoline Fund, LP, United States Heating Oil Fund, LP, United States Short Oil Fund, LP, United States 12 Month Natural Gas Fund, LP, United States Brent Oil Fund, LP, United States Commodity Index Funds Trust and United States Commodity Funds Trust I, each a commodity pool listed on the NYSE Arca that invests primarily in futures contracts. Mr. Ellis was a director of International Absorbents Inc., a small animal bedding company which was listed on the NYSE Amex from July 1988 to April 2010, when it was acquired by an affiliate of Kinderhook Industries LLC. Mr. Ellis was Chairman and Chief Executive Officer of International Absorbents Inc. from July 1988 to April 2010. Mr. Ellis obtained both his Bachelor of Science degree in May, 1972 and his Masters of Business Administration in May 1974 from the University of British Columbia, Vancouver, Canada and has been a member of the Professional Engineers and Geoscientists of British Columbia since February, 1984.		

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Number of Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed ⁽²⁾	Number of Options Held ⁽³⁾
Eric H. Edwards			
British Columbia, Canada	1,149,507	125,000	957,000
Director since: January 2011 Non-Independent Member of the Board	Principal Occupation for the Past Five Years: Business Executive. Mr. Edwards is the Chief Executive Officer and President of the Company. Mr. Edwards has over 25 years of experience in the gold mining and exploration industry, holding a number of positions in operations, business development and corporate finance. Mr. Edwards was appointed President and Chief Executive Officer and a director of the Company in January 2011. In July 2010, Mr. Edwards was the Chief Financial Officer of Andean Resources Limited, a company engaged in the acquisition, exploration and development of precious metals and publicly listed on the Toronto Stock Exchange ("TSX"), until it was acquired by Goldcorp. Inc. in December 2010. Mr. Edwards was the President of Ventura Gold Corp. (" Ventura "), a junior mineral exploration company which is publicly traded on the TSX.V, from July 2007 to June 2010. Mr. Edwards successfully completed the sale and transition of Ventura to International Minerals Corp., a gold and silver producer publicly listed on the TSX, in January 2010. Mr. Edwards served as Chief Financial Officer of International Minerals Corp. from June 2007 to June 2010. Mr. Edwards served as Chief Financial Officer and Corporate Secretary of Queenstake Resources, Ltd., a gold producing company listed on the TSX and NYSE Amex from March, 2005 to June, 2007. Mr. Edwards coordinated the public process and eventual merger of Queenstake Resources Ltd. with YGC Resources Ltd. to form Yukon Nevada Gold Corporation in June, 2007. Over the past 15 years, Mr. Edwards has been Chief Financial Officer for a number of publicly-traded resource companies, including Viceroy Resource Corporation and Ivanhoe Mines Ltd. Mr. Edwards was the Chief Financial Officer of Ivanhoe Mines Ltd. when the company completed its initial public offering for cash proceeds of over \$275,000,000. Mr. Edwards has completed a number of acquisitions, divestitures, mergers, equity placements, project resource facilities and corporate bridge facilities.		
John K. Graf			
British Columbia, Canada	150,000 ⁽⁵⁾	Nil	554,000
Director since: November 2010 Independent Member of the Board Chair & Member of the AC Member of the GNC	Principal Occupation for the Past Five Years: Chartered Accountant. From July 2009 to February 2011, Mr. Graf was a director of Copper Mountain Mining Corporation, a natural resource mining company listed on the TSX. Mr. Graf was an independent commissioner of the British Columbia Securities Commission between December 1998 and March 2008. Mr. Graf has been a Chartered Accountant in British Columbia since 1968, and obtained his Bachelor of Commerce degree from the University of British Columbia, Vancouver, Canada in 1966.		
Norman B. Keevil			
British Columbia, Canada	325,000 ⁽⁶⁾	125,000	554,000
Director since: August 2010 Independent Member of the Board Chair & Member of the GNC Member of the CC Member of the AC	Principal Occupation for the Past Five Years: Engineer and Business Executive. Since April 1998, Mr. Keevil has been a director of Teck Resources Ltd. (formerly Teck Cominco), a Canadian mining, mineral processing and metallurgical company operating in Canada, the United States of America, Chile and Peru and publicly listed on the TSX and NYSE. Since September 2009, Mr. Keevil has been the President of Poncho Wilcox Engineering Ltd., a private engineering company. Between May 2004 and November 2008, Mr. Keevil was Vice President Engineering of Triton Logging Inc., a private underwater logging company. In June 1987, Mr. Keevil obtained his Bachelor of Applied Science degree from the University of British Columbia, Vancouver, Canada and has been a member of the Professional Engineers and Geoscientists of British Columbia since January 1994.		

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Number of Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed ⁽²⁾	Number of Options Held ⁽³⁾
Jaime A. Pinto			
Lima, Peru	Nil	Nil	275,000
Director since: May 2013 Independent Member of the Board Member of the GNC	Principal Occupation for the Past Five Years: Lawyer. Mr. Pinto has been practicing law since 1982 and has been the principal partner of Pinto Abogados Law Firm in Lima, Peru since October 2010. From August 2008 to September 2010, Mr. Pinto was a partner at Lema, Solari & Santivanez, a law firm located in Lima Peru, practicing corporate finance and restructuring, energy, telecommunications, privatizations and concessions. Mr. Pinto obtained his Bachelor of Laws degree from Pontificia Universidad Catolica del Peru in December 1980 and his Master's in Law from Harvard Law School in June 1982.		
Luquman A. Shaheen			
British Columbia, Canada	Nil	Nil	275,000
Director since: May 2013 Independent Member of the Board Member of the CC	Principal Occupation for the Past Five Years: Business Executive, Professional Engineer. Mr. Shaheen has been the President, CEO and a director of Panoro Minerals Ltd. since April 2008, a mineral exploration company, publicly listed on the TSX.V. In June 1990, Mr. Shaheen obtained his Bachelor of Science degree in Civil Engineering from the University of British Columbia, Vancouver, Canada and in September 2004, his Master's degree in Business Administration from Simon Fraser University, Burnaby, Canada. Mr. Shaheen is a registered professional engineer in the Province of British Columbia and the State of Alaska and holds an inactive professional engineers licence in the State of Washington. He has worked in the mining sector for over 22 years, and in Peru and Latin America for over 17 years.		
Stephen H. Silbernagel			
British Columbia, Canada	505,000 ⁽⁷⁾	175,000	554,000
Director since: June 2010 Independent Member of the Board Chair & Member of the CC Member of the AC	Principal Occupation for the Past Five Years: Lawyer, currently retired. Mr. Silbernagel was a lawyer from 1973 to December 2009. Before his retirement, Mr. Silbernagel practiced with the firm Munro & Crawford between April 2008 and December 2009. Previously, Mr. Silbernagel practiced with the firm Silbernagel & Company until March 2008. Mr. Silbernagel obtained his Bachelor of Science degree in May, 1968 and his Bachelor of Laws degree in May 1972.		

Notes:

- (1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above nominees for directors is based on information furnished by the nominees themselves and from the insider reports available at www.sedi.ca. Unless otherwise indicated herein all Common Shares are held directly.
- (2) On August 7, 2014, the Company closed a non-brokered private placement (the "**Placement**") and issued 8,050,000 units (the "**Units**") priced at \$0.20 per Unit, with each Unit consisting of one common share in the capital of Lupaka and one transferable common share purchase warrant (the "**Warrant**"). Each Warrant entitles the holder to purchase one additional common share, exercisable at \$0.30 up to and including August 7, 2017. As part of the Placement, certain directors and officers of the Company acquired a total of 1,050,000 Units.
- (3) Number of stock options held in aggregate, directly by each director and issued under the Company's 2010 Incentive Stock Option Plan re-approved by the Shareholders on May 16, 2014 (the "**2010 Option Plan**").
- (4) This amount includes 341,500 Common Shares held directly by Mr. Gordon Ellis; 100,000 held by Loadxi Minerals, a company wholly-owned by Mr. Ellis; 2,293,164 Common Shares held by Gordann Consultants, a company in which Mr. Ellis holds a 51% interest and his spouse holds a 49% interest; 2,295,368 Common Shares held by ABE Industries, a company that is wholly-owned by Gordann Consultants; and 6,743,341 Common Shares held by

K-Rok Minerals, a company of which ABE Industries owns a 60% interest and Mr. Ellis through his majority ownership in Gordann controls voting and dispositive powers.

- (5) Number of Common Shares held jointly by Mr. Graf and his spouse, with shared voting and dispositive power.
- (6) Number of Common Shares held by 0860904 BC Ltd., a company in which Mr. Keevil and his spouse each hold 50% interest, with equal voting and dispositive power.
- (7) This amount includes 175,000 Common Shares held directly by Mr. Silbernagel and 330,000 Common Shares held by L.E. Management Ltd., a company wholly-owned by Mr. Silbernagel.

As of March 31, 2015, the directors of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 13,902,880 Common Shares or approximately 15% of the Common Shares issued and outstanding.

Advance Notice for Additional Director Nominations

On March 27, 2013, the Board adopted an advance notice policy (the “**Advance Notice Policy**”), which the Shareholders approved on May 16, 2013, for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders.

A copy of the Company’s Advance Notice Policy is available on SEDAR at www.sedar.com, attached as Schedule “C” to the 2013 Management Information Circular, filed on April 19, 2013.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no proposed director:

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

AUDIT COMMITTEE

Audit Committee Charter

Information regarding the Company's Audit Committee, together with the complete text of the Company's Audit Committee charter, is contained under the heading "Audit Committee Information" and Schedule "A" of the Company's most recent Annual Information Form filed under the Company's profile on SEDAR at www.sedar.com.

STATEMENT OF EXECUTIVE COMPENSATION

This section of the Circular explains how the Company's executive compensation program is designed and operated with respect to the Company's named executive officers ("NEOs") defined as follows:

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

As defined under applicable securities legislation, the Company had three Named Executive Officers during the most recently completed financial year ended December 31, 2014 as set out below:

Eric H. Edwards	President and Chief Executive Officer
Darryl F. Jones	Chief Financial Officer
Julio F. Castañeda	President of the following wholly-owned subsidiaries of the Company: <ul style="list-style-type: none">• Lupaka Gold Peru S.A.C. ("LGP", formerly known as Minera Pacacorral S.A.C);• Invicta Mining Corp. S.A.C. ("Invicta Mining").

Compensation Discussion and Analysis

Compensation Philosophy

The Company's compensation program is designed to be competitive with other companies of similar market capitalization, number of employees, stage of development and places of operation. The Company's compensation program also reflects the financial resources of the Company.

The Company will be competitive in its total compensation package when compared to a benchmark group of similar companies. The Company has also adopted a policy to pay lower base salaries and higher incentive pay (cash bonuses and option awards), when compared to the benchmark group.

The Compensation Committee

During 2012, the Company's Compensation Committee formalized its compensation policies and practices as set out in the Compensation Philosophy and Guidelines which was amended and approved by the Board on November 7, 2013 (the "**Compensation Philosophy and Guidelines**"). The Compensation Committee of the Board is responsible for establishing, implementing and continually monitoring adherence with the Company's compensation philosophy and guidelines as well as staying within the Compensation Charter.

The Company has a Compensation Committee composed of independent members of the Board. Through their respective experience in public and private organizations each member is able to understand and interpret compensation agreements and is capable of implementing and reviewing compensation practices. The Compensation Committee makes compensation recommendations to the Board as to each executive's ("**Executive Management**") compensation. The Compensation Committee shall make recommendations regarding equity awards to all of the Company's employees, Executive Management and directors.

The Compensation Committee may retain, at the Company's expense, outside consultants or advisors to assist the Compensation Committee in the performance of its duties when it considers this action necessary or advisable.

The Compensation Committee can also request management to establish a benchmark group of companies, to gather, analyze and present publicly-available compensation data and information to help guide the formulation and analysis of compensation paid to Executive Management. The benchmark group will be determined by screening and selecting publicly-traded companies that are likely to compete with the Company for executive talent and are in the same industry, at a similar stage of development or size of operations and a suitable range of market capitalization.

The Company's current benchmark group of companies are as follows: Sutter Gold Mining Inc., Renaissance Gold Inc., Carpathian Gold Inc., Xtra-Gold Resources Corp., Freegold Ventures Limited, African Gold Group Inc., Golden Reign Resources Ltd., Riverside Resources Inc., TriStar Gold, Inc, Bayfield Ventures Corp., Eagle Hill Exploration Corp., West High Yield Resources Ltd., Coastal Gold Corp., Colt Resources Inc., Goldquest Mining Corp., Minco Gold Corp., Scorpio Gold Corp., Goldgroup Mining Inc., Mawson Resources Ltd., Terraco Gold Corp., Aldridge Minerals Inc., and Rye Patch Gold Corp.

Compensation Components

The Company's executive compensation is derived from a mix of a base salary, short term incentive compensation (cash bonuses), long-term incentive compensation (stock options and other non-cash awards) and company provided benefits/perquisites. Each year the Compensation Committee shall review the aggregate amounts and cumulative mix of all of the components of compensation for Executive Management to ensure that the Company remains competitive while following its Compensation Philosophy and Guidelines.

It is critical that the Company's compensation programs are effective in attracting, motivating and retaining highly talented individuals who are able to assist the Company in implementing its strategies and achieving its goals. As part of the annual process the Compensation Committee shall receive from management updates on long-term strategies and goals for the Company that are designed to increase shareholder value and protect and grow the Company. In addition the Compensation Committee shall receive from management a range of short-term milestones that it believes must be achieved in order to implement and fulfill the Company's overall business strategy and ultimately improve shareholder value as well as milestones for each executive of the Executive Management for the achievement of the short and long term Company strategies.

Base Salaries

Base salary compensates Executive Management for services rendered during the fiscal year and provides Executive Management with a base level of earnings. Each Executive's base salary is recognized to be only one component of the overall compensation, and other forms of compensation are awarded to ensure the Executive Management's total compensation is in line with industry standards and the Company's overall compensation philosophy.

Base salaries for each member of Executive Management are established on their experience, performance, knowledge and the scope of their responsibilities, taking into account competitive market compensation paid by other companies in Lupaka's industry for similar positions and the overall market demand for such executives.

Adjustments are considered annually based upon merit as well as consideration of changes reflected in the comparable benchmark group of companies. Additionally, the Company adjusts base salaries as warranted for promotions or changes in the scope and breadth of each Executive's role or responsibility. Salary adjustments are considered in the first calendar quarter of each year following approval of the corporate annual budget, operating plan and business objectives.

Each year it is the responsibility of the Chief Executive Officer to propose to the Compensation Committee the salaries for other members of Executive Management for the next fiscal year. The Compensation Committee considers and recommends to the Board total compensation of all members of Executive Management.

Short Term Incentive Plan (“STIP”, Annual Cash Bonus)

STIP rewards excellent individual performance and the achievement of certain short-term Company objectives with cash bonuses.

The Compensation Committee will review with the CEO the success of each member of Executive Management in meeting their objectives, as well as that individual’s contribution toward implementing Company’s strategies and achieving Company goals. Cash bonuses paid to the CEO are developed and recommended by the Compensation Committee for approval by the Board. Cash bonuses paid to other members of Executive Management are recommended by the CEO and are reviewed by the Compensation Committee before being considered by the Board. The amount of annual cash bonus awarded is dependent on the level of achievement of the individual and success of the Company in achieving its goals, and will take into consideration any extraordinary performance during the preceding fiscal year, as well as the financial position of the Company at the time of the award.

Long Term Incentive Plan (“LTIP”, Stock Options and Other Non-Cash Awards)

Stock options and other non-cash awards are granted as long-term incentive compensation for continuity and retention of Executive Management. The LTIP allows Executive Management to participate in any appreciation of the market value of the Common Shares over a longer period of time, and reinforce a commitment to long term growth and shareholder value. Goals of management should be aligned with the best interests of the Company. Individual stock options awards are developed by management and recommended to the Compensation Committee for review and if appropriate, recommended for approval by the Board. The size of the option grants are dependent on, among other things, the individual’s position, level of responsibility and contribution to the longer-term operating performance of the Company.

Annual incentive stock option grants and prices are recommended by the Compensation Committee in the fourth quarter of each calendar year, as prescribed by the 2010 Option Plan.

Perquisites

Executive Management may be eligible for other benefits and perquisites provided by the Company including the Company’s employee health benefits program, health club membership, and others. There is currently no pension plan or disability benefits in place for directors or Executive Management.

Compensation Determinations

The Compensation Committee reviews the results achieved by the Company and discusses them with management. The Compensation Committee determines an overall assessment for actual corporate performance relative to an expected level of performance. This overall corporate performance assessment as well as a review of the benchmark group of similar companies, and the Company’s compensation philosophy to pay lower base salaries and higher incentive pay (cash bonuses and option awards), keeping in mind, the financial position of the Company, determines Executive Management’s compensation. The Compensation Committee made their compensation recommendations of LTIP to the Board, which the Board approved on November 6, 2014.

The Compensation Committee reviews the Company’s compensation program each year for safeguards designed to mitigate compensation risks. The Compensation Committee determined at a meeting held on November 6, 2014 that the risks associated with the remuneration of executives were determined to be:

- (a) attract and retain qualified people;
- (b) overcompensation;
- (c) inappropriate or excessive risk-taking.

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers. The Company has, however, included in the Company’s Insider Trading Policy that Lupaka considers it improper and inappropriate for any employee to engage in short-term or speculative transactions in Lupaka’s securities. Moreover, employees are prohibited from engaging in short sales and other speculative transactions involving

Lupaka's securities, whether directly or indirectly, except in cases where shares are sold short in connection with a concurrent exercise of stock options. The Company is not aware of any directors or officers having entered into this type of transaction.

Pension Plan Benefits

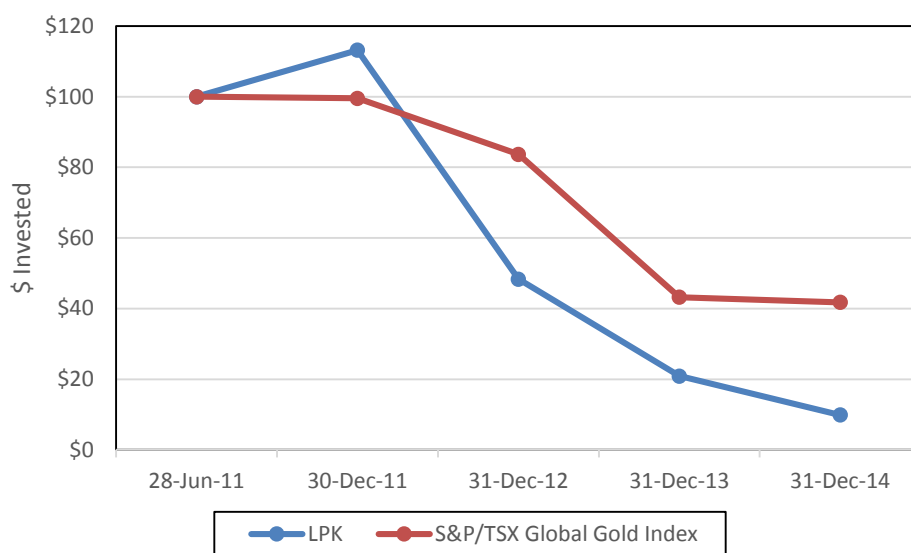
The Company does not have a pension plan.

Other Compensation

Executive Management receive other benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of Executive Management. Benefits consist of medical, life insurance, extended health and dental coverage, the level of which is consistent with industry practice and generally available to all employees.

Performance Graph

The Company completed its initial public offering on June 28, 2011. A comparative performance graph between the Common Shares and the S&P/TSX Composite Gold Index compares the change in cumulative total shareholder return for \$100 invested in the Common Shares against the change in cumulative total shareholder return of the S&P/TSX Composite Index Gold (Sub Industry) (including dividends reinvested) for the three fiscal year periods beginning June 28, 2011 and ending December 31, 2014, is provided below.



The Company operates in a commodity business and the Common Share price is directly impacted by conditions, such as the market prices of gold and copper, which fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Company's control. The Compensation Committee evaluates financial performance by reference to the Company's operating performance rather than short-term changes in Common Share price, based on its view that the Company's long-term operating performance will be reflected by stock price performance over the long-term, which is especially important when the current stock price may be temporarily depressed by short-term factors, such as economic downturns.

Summary Compensation Table

The following table is a summary of compensation paid to the Company's Named Executive Officers for the financial years ended December 31, 2014, 2013 and 2012:

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Eric H. Edwards, ⁽³⁾ President, Chief Executive Officer	2014	205,000	N/A	22,190	Nil	Nil	N/A	Nil	227,190
	2013	212,000	N/A	22,960	70,000	Nil	N/A	Nil	304,960
	2012	181,250	N/A	52,955	61,250	Nil	N/A	Nil	295,455
Darryl F. Jones, ⁽⁵⁾ Chief Financial Officer	2014	139,200	N/A	18,737	Nil	Nil	N/A	Nil	157,937
	2013	144,000	N/A	20,873	51,000	Nil	N/A	Nil	215,873
	2012	144,000	N/A	48,141	36,000	Nil	N/A	Nil	228,141
Julio F. Castañeda, ⁽⁷⁾ President	2014	191,800	N/A	26,439	Nil	Nil	N/A	Nil	218,239
	2013	162,040	N/A	88,474	10,500	Nil	N/A	Nil	261,014

Notes:

- (1) This column includes the dollar value of cash and non-cash base salary paid or earned (accrued) during the financial year to each NEO.
- (2) This column represents the fair value at the time of grant calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" below.
- (3) Mr. Edwards was appointed as President and Chief Executive Officer in January 2011.
- (4) Mr. Jones was appointed Chief Financial Officer in October 2010.
- (5) Mr. Castañeda was appointed President of LGP and Invicta Mining in April, 2013.

Share Option Values and Assumptions

	Values and Assumptions				
Grant Date	Nov. 6, 2014	Nov. 7, 2013	May 16, 2013	Feb. 1, 2013	Nov. 8, 2012
Expiry Date	Nov. 6, 2019	Nov. 7, 2018	May 16, 2018	Feb. 1, 2018	Nov. 8, 2017
Number of options granted	1,685,000	1,785,000	165,000	250,000	1,790,000
Share Price at Grant Date ⁽¹⁾	\$0.125	\$0.24	\$0.315	\$0.40	\$0.45
Exercise Price	\$0.125	\$0.24	\$0.315	\$0.40	\$0.45
Expected Volatility (weighted average volatility)	95%	91%	90%	103%	107%
Option life (expected weighted average life)	3.4 years	3.3 years	3.5 years	3.7 years	3.9 years
Expected Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (based on government bonds)	1.2%	1.3%	1.2%	1.4%	1.2%
Resulting fair value at grant date	\$131,484	\$257,119	\$31,374	\$68,256	\$574,487

Note:

- (1) Share prices were based upon the closing market price of the Company's publicly-listed Common Shares on the TSX one trading day prior to the date of grant.

Incentive Plan Awards for NEOs

The following table sets out all option-based awards outstanding for each NEO at December 31, 2014. The Company's NEOs do not have any outstanding share-based awards.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Eric H. Edwards, President, Chief Executive Officer	165,000	0.125	November 6, 2019	Nil	Nil	Nil
	165,000	0.24	November 7, 2018	Nil	Nil	Nil
	165,000	0.45	November 8, 2017	Nil	Nil	Nil
	162,000	1.21	November 9, 2016	Nil	Nil	Nil
	300,000	0.50	October 19, 2015	Nil	Nil	Nil
Darryl F. Jones, Chief Financial Officer	100,000	0.125	November 6, 2019	Nil	Nil	Nil
	150,000	0.24	November 7, 2018	Nil	Nil	Nil
	150,000	0.45	November 8, 2017	Nil	Nil	Nil
	115,000	1.21	November 9, 2016	Nil	Nil	Nil
	200,000	0.50	October 19, 2015	Nil	Nil	Nil
Julio F. Castañeda, President	150,000	0.125	November 6, 2019	Nil	Nil	Nil
	150,000	0.24	November 7, 2018	Nil	Nil	Nil
	250,000	0.40	February 1, 2018	Nil	Nil	Nil

Note:

- (1) This column represents the value, if any, calculated upon the difference between the closing price of the Common Shares on the TSX on December 31, 2014, being \$0.09 and the exercise price of the option.

Incentive Plan Awards -Value Vested Or Earned During The Year Ended December 31, 2014 for NEOs

The following table sets forth the value of option-based awards and share-based awards which were vested or earned during the most recently completed financial year for each NEO.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽¹⁾
Eric H. Edwards President, Chief Executive Officer	4,738 ⁽²⁾ 13,825 ⁽³⁾ 3,627 ⁽⁴⁾	N/A	N/A
Darryl F. Jones, Chief Financial Officer	2,871 ⁽²⁾ 12,568 ⁽³⁾ 3,297 ⁽⁴⁾	N/A	N/A
Julio F. Castañeda, President	4,307 ⁽²⁾ 12,568 ⁽³⁾ 9,563 ⁽⁵⁾	N/A	N/A

Notes:

- (1) This column represents the fair value at the time of grant, calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" above and the number of options vested during the year.
- (2) This amount reflects options expiring on November 6, 2019 which vest as to 25% on the day of grant and 25% each six-month period thereafter.
- (3) This amount reflects options expiring on November 7, 2018 which vest as to 25% on the day of grant and 25% each six-month period thereafter.
- (4) This amount reflects options expiring on November 8, 2017 which vest as to 25% on the day of grant and 25% each six-month period thereafter.
- (5) This amount reflects options expiring on February 1, 2018 which vest as to 25% on the day of grant and 25% each six-month period thereafter.

MANAGEMENT CONTRACTS

As at December 31, 2014, the Company had the following Management and Consulting Agreements with its NEOs:

Agreement	Terms of Agreement
Eric H. Edwards President & Chief Executive Officer Employment Agreement Dated January 1, 2011	The Company entered into an employment agreement dated January 1, 2011 with Eric Edwards to employ Mr. Edwards as the President and Chief Executive Officer of the Company for an indefinite term. Pursuant to the terms of his employment agreement, Mr. Edwards receives a monthly salary, as amended March 27, 2013 of \$17,667 (\$212,000 annual salary) and a cash bonus based on criteria agreed to by the Company and Mr. Edwards at the beginning of the fiscal year. Under the employment agreement, Mr. Edwards is entitled to participate in the Company's benefit plans. Mr. Edwards voluntarily agreed to a 20% temporary reduction in his salary and hours of work for two months during 2014.
Darryl F. Jones Chief Financial Officer Employment Agreement Dated January 1, 2013	The Company entered into a new employment agreement dated January 1, 2013 with Darryl Jones to employ Mr. Jones as the Chief Financial Officer of the Company for an indefinite term. Pursuant to the terms of his employment agreement, Mr. Jones receives a salary of \$144,000 per year and a cash bonus based on criteria agreed to by the Company and Mr. Jones. Under his employment agreement, Mr. Jones is entitled to participate in the Company's benefit plans. Mr. Jones voluntarily agreed to a 20% temporary reduction in his salary and hours of work for two months during 2014.
Julio F. Castañeda President of LGP and Invicta Mining Employment Agreement Dated: February 1, 2013	LGP entered into an employment agreement dated February 1, 2013 with Julio Castañeda to employ Mr. Castañeda as President of Lupaka's Peruvian subsidiaries for an indefinite term. Pursuant to the terms of his employment agreement, Mr. Castañeda receives an annual remuneration of USD\$185,000, which includes certain benefits in accordance with Peruvian labour laws. Mr. Castañeda is also able to participate in the 2010 Option Plan and may receive additional compensation and other benefits in accordance with the Company's policies, as well as participate in the subsidiary's benefit plans.

Termination and Change of Control Benefits

Except as set out below, the Company has not entered into any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company, or a change in responsibilities of the director or officer following a change in control.

A "change of control" is defined as an acquisition by any person or group of persons acting jointly or in concert of direct or indirect beneficial ownership of securities representing 50% or more of the Company's voting securities; completion of a business combination which results in the Company's shareholders holding less than 50% of the voting securities of the resulting or successor corporation; or the current directors of the Company ceasing to represent a majority of the members of the Board as a result of a proxy solicitation other than by management.

Pursuant to the terms of the employment agreement between the Company and Mr. Edwards, Mr. Edwards is entitled to terminate his employment agreement upon 30 days' written notice to the Company. In the event the Company terminates his employment agreement for any reason other than cause, Mr. Edwards is entitled to an amount equal to three times his annual base salary and an amount equal to 24 months of his group health insurance and other benefit plan costs. Such termination fee is only payable if Mr. Edwards delivers a general release in favour of the Company.

In the event of a "change of control" of the Company, if Mr. Edward's employment is terminated within 90 days of the change of control, he is entitled to receive three times his then current annual base salary and an amount equal to 24 months of his group health insurance and other benefit plan costs. If Mr. Edwards resigns for any reason within 90 days following a change of control, he is entitled to receive this termination payment. If Mr. Edwards is terminated without cause, the Company agrees to engage Mr. Edwards as a consultant for one year on an "if, as and when required" basis at daily compensation rates consistent with his compensation prior to termination.

Pursuant to the terms of the employment agreement between the Company and Mr. Jones, Mr. Jones is entitled to terminate his employment agreement upon 30 days' written notice to the Company. In the event the Company terminates his employment agreement for any reason other than cause, Mr. Jones is entitled to an amount equal to two times his annual base salary at the time of such termination and an amount equal to 24 months of his group health insurance and other benefit plan costs. If Mr. Jones is working part time, defined as less than 40 hours per week on a regular basis, for a period greater than six (6) months, then any termination pay will be paid according to the number of hours per week actually worked during the relevant period. Such termination fee is only payable if Mr. Jones delivers a general release in favour of the Company.

In the event of a "change of control" of the Company, if Mr. Jones' employment is terminated within 90 days of the change of control, he is entitled to receive two times his then current base salary and an amount equal to 24 months of his group health insurance and other benefit plan costs. If Mr. Jones resigns for any reason within 90 days following a change of control, he is entitled to receive this termination payment. If Mr. Jones is terminated without cause, the Company agrees to engage Mr. Jones as a consultant for one year on an "if, as and when required" basis at daily compensation rates consistent with his compensation prior to termination.

Pursuant to the terms of the employment agreement between LGP and Mr. Castañeda, Mr. Castañeda is entitled to terminate his employment agreement upon 30 days' written notice to LGP. LGP may terminate the employment agreement for any reason other than cause, upon 30 days written notice to Mr. Castañeda. Mr. Castañeda is entitled to severance pay in accordance with the labour laws established in Peru.

In the event of a "change of control" of the Company, if Mr. Castañeda's employment is terminated within 90 days of the change of control, he is entitled to receive one times his then current annual base salary and an amount equal to 12 months of his medical insurance coverage in Peru and other benefit plan costs. If Mr. Castañeda resigns for any reason within 90 days following a change of control, he is entitled to receive this termination payment.

DIRECTOR COMPENSATION

Compensation of Directors

The following table sets forth all compensation the Company paid or granted to the Company's directors, other than NEOs, for the most recently completed financial year ended December 31, 2014.

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gordon L. Ellis, Executive Chairman, Director	48,000 ⁽¹⁾	Nil	11,315 ⁽²⁾	Nil	N/A	Nil	59,315
John K. Graf, Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	Nil	8,297
Norman B. Keevil, Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	Nil	8,297
Stephen H. Silbernagel, Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	Nil	8,297
Hernan F. Barreto, ⁽³⁾ Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	Nil	8,297
Jaime A. Pinto, Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	16,697 ⁽⁴⁾	24,994
Luquman A. Shaheen, Director	Nil	Nil	8,297 ⁽²⁾	N/A	N/A	Nil	8,297

Notes:

- (1) This amount was paid or payable to Mr. Ellis' consulting company Gordann Consultants.
- (2) This amount represents the fair value at the time of grant on November 6, 2014, calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" above and the number of options vested during the year.
- (3) Mr. Barreto resigned as a Director of the Company on February 11, 2015.
- (4) This amount was paid or payable to Mr. Pinto's law firm, Estudio Pinto Abogados pursuant to agreement entered into on October 15, 2014 for the consulting services of Mr. Pinto.

Incentive Plan Awards for Non-NEO Directors

The following tables sets out all option-based awards outstanding for the Company's directors, other than NEO's, at December 31, 2014. The Company's directors do not have any outstanding share-based awards.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Gordon L. Ellis, Executive Chairman, Director	150,000	0.125	November 6, 2019	Nil	Nil	Nil
	100,000	0.24	November 7, 2018	Nil	Nil	Nil
	100,000	0.45	November 8, 2017	Nil	Nil	Nil
	115,000	1.21	November 9, 2016	Nil	Nil	Nil
	200,000	0.50	October 19, 2015	Nil	Nil	Nil
John K. Graf, Director	110,000	0.125	November 6, 2019	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	110,000	0.45	November 8, 2017	Nil	Nil	Nil
	24,000	1.21	November 9, 2016	Nil	Nil	Nil
	200,000	0.50	October 19, 2015	Nil	Nil	Nil
Norman B. Keevil, Director	110,000	0.125	November 6, 2019	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	110,000	0.45	November 8, 2017	Nil	Nil	Nil
	24,000	1.21	November 9, 2016	Nil	Nil	Nil
	200,000	0.50	October 19, 2015	Nil	Nil	Nil
Stephen H. Silbernagel, Director	110,000	0.125	November 6, 2014	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	110,000	0.45	November 8, 2017	Nil	Nil	Nil
	24,000	1.21	November 9, 2016	Nil	Nil	Nil
	200,000	0.50	October 19, 2015	Nil	Nil	Nil
Hernan F. Barreto, ⁽²⁾ Director	110,000	0.125	November 6, 2019	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	55,000	0.315	May 13, 2018	Nil	Nil	Nil
Jaime A. Pinto, Director	110,000	0.125	November 6, 2019	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	55,000	0.315	May 13, 2018	Nil	Nil	Nil
Luquman A. Shaheen, Director	110,000	0.125	November 6, 2019	Nil	Nil	Nil
	110,000	0.24	November 7, 2018	Nil	Nil	Nil
	55,000	0.315	May 13, 2018	Nil	Nil	Nil

Note:

- (1) This column represents the value, if any, calculated upon the difference between the closing price of the Common Shares on the TSX on December 31, 2014, being \$0.09 and the exercise price of the option.
- (2) Mr. Barreto resigned as a Director of the Company on February 11, 2015.

Incentive Plan Awards -Value Vested Or Earned During The Year Ended December 31, 2014 for Non-NEO Directors

The following table sets forth the value of option-based awards and share-based awards which were vested or earned during the most recently completed financial year for each director who is not an NEO.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽¹⁾
Gordon L. Ellis, Executive Chairman, Director	4,307 ⁽²⁾ 8,379 ⁽³⁾ 2,198 ⁽⁴⁾	N/A	N/A
John K. Graf, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,418 ⁽⁴⁾	N/A	N/A
Norman B. Keevil, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,418 ⁽⁴⁾	N/A	N/A
Stephen H. Silbernagel, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,418 ⁽⁴⁾	N/A	N/A
Hernan F. Barreto, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,729 ⁽⁵⁾	N/A	N/A
Jaime A. Pinto, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,729 ⁽⁵⁾	N/A	N/A
Luquman A. Shaheen, Director	3,158 ⁽²⁾ 9,217 ⁽³⁾ 2,729 ⁽⁵⁾	N/A	N/A

Notes:

- (1) This column represents the fair value at the time of grant, calculated using the Black-Scholes option pricing model using the assumption described in the table “Share Option Values and Assumptions” above and the number of options vested during the year.
- (2) This amount reflects options expiring on November 6, 2019 which vest as to 25% on the day of the grant and 25% each six-month period thereafter.
- (3) This amount reflects options expiring on November 7, 2018 which vest as to 25% on the day of the grant and 25% each six-month period thereafter.
- (4) This amount reflects options expiring on November 8, 2017 which vest as to 25% on day of grant and 25% each six-month period thereafter.
- (5) This amount reflects options expiring on May 16, 2018 which vest as to 25% on the day of grant and 25% each six-month period thereafter.

Material Factors Necessary to Understand Director Compensation

The Company entered into a consulting services agreement dated July 1, 2010, amended August 27, 2014, with Gordann Consultants for Gordon Ellis to perform services as a senior officer of the Company and will expire on January 31, 2016, unless earlier terminated as provided in the agreement. Pursuant to the terms of this agreement, Gordann Consultants agreed that Mr. Ellis would provide services as the Executive Chairman of the Board. Under the amendment, the consulting services agreement provides that Gordann Consultants will receive a consulting fee of \$2,000 per month. Gordann Consultants’ contract provides that the Board shall set and determine each year how bonuses are earned, based on criteria agreed to by Gordann Consultants and the Company. It will be based primarily upon the target criteria as set at the beginning of the fiscal year.

The Company entered into a consulting services agreement dated October 15, 2014 with Estudio Pinto Abogados for the services of Jaime Pinto to assist and represent the Company in Peru. Upon thirty (30) days written notice the agreement may be terminated by Mr. Pinto or the Company. The consulting agreement provides that Estudio Pinto receives a retainer of USD\$5,000 per month. Any hours worked in excess of the equivalent of 20% of Mr. Pinto’s monthly billable time will be paid at Estudio Pinto’s market rate. In addition, Mr. Pinto may receive a cash bonus subject to certain performance objectives being attained.

Except as set out above, no cash compensation was paid to any other director of the Company in his capacity as such during the most recently completed financial year ended December 31, 2014. The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services as directors except for the granting

of incentive stock options from time to time in accordance with the 2010 Option Plan and the reimbursement of reasonable expenditures incurred in performing their duties as directors.

Retirement Policy for Directors

The Company does not have a retirement policy for its directors.

Directors' and Officers' Liability Insurance

The Company has purchased, for the benefit of the Company, its subsidiaries and each of their directors and officers, insurance against liability incurred by the directors or officers in their capacity as directors or officers of the Company or its subsidiaries (the "Directors' and Officers' Liability Insurance"). The Directors' and Officers' Liability Insurance has been paid for the period of May 2013 to May 2014. The following is a summary of the premiums paid and the loss covered:

For The Period	Premium Per Year	Total amount of insurance (subject to Policy deductibles)
May 10, 2014 to May 10, 2015	\$15,950	\$5,000,000 each loss, annual aggregate
August 13, 2014 to May 10, 2015	\$5,550	\$5,000,000 excess of \$5,000,000 primary, Side-A difference in conditions, annual aggregate.
May 10, 2013 to May 10, 2014	\$14,500	\$5,000,000 each loss, annual aggregate.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company adopted the 2010 Option Plan to permit the Company to grant incentive stock options up to 10% of the issued and outstanding Common Shares to bona fide directors, officers, employees and consultants of the Company or its subsidiaries as represented by the Board (the "Optionees"). The 2010 Option Plan was approved by the Shareholders on September 20, 2010 and re-approved on May 16, 2014 as required under the policies of the TSX. Pursuant to listing on the TSX.V in February, 2015 the Company requires shareholder approval every year. See "Particulars of Matters to be Acted Upon" below regarding the re-approval of the 2010 Option Plan pursuant to the TSX.V policies.

The following table sets forth as at the year ended December 31, 2014 the number of securities authorized for issuance under the 2010 Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	9,198,000	\$0.48	56,511
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	9,198,000	\$0.48	56,511

Note:

As at December 31, 2014, there were 9,198,000 options issued and outstanding under the 2010 Option Plan, representing 9.9% of the Company's issued and outstanding capital as of December 31, 2014.

Stock Option Granting Process

Grants of stock options are made pursuant to the Company's 2010 Option Plan. The Compensation Committee is responsible for reviewing and recommending to the Board all individual stock option grants, which are typically made upon the commencement of employment by a new Optionee and annually thereafter. The 2010 Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The maximum number of Common Shares of the Company which may be issued pursuant to stock options granted under the 2010 Option Plan, unless otherwise approved by Shareholders, is 10% of the issued and outstanding Common Shares at the time of the grant. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2010 Option Plan, and any exercises of stock options will make new grants available under the 2010 Option Plan.
2. The aggregate number of issued and outstanding Common Shares reserved for issuance pursuant to all options granted to any one Optionee shall not exceed 5% of the number of issued and outstanding Common Shares outstanding on a non-diluted basis at the time of such grant. In addition, the issuance to any one insider and such insider's associates, within a one-year period, of issued and outstanding Common Shares on the exercise of options may not exceed 5% of the issued and outstanding Common Shares, and the number of issued and outstanding Common Shares which may be reserved for issuance under the 2010 Option Plan and under any other security based compensation arrangements of the Company to all insiders and insiders' associates shall not exceed 10% of the issued and outstanding Common Shares. Notwithstanding any other provision of the 2010 Option Plan, the number of issued and outstanding Common Shares which may be issued within any one-year period pursuant to the 2010 Option Plan and all other security based compensation arrangements of the Company to insiders of the Company, or such insiders' affiliates shall not exceed 10% of the issued and outstanding Common Shares.

Furthermore, any one consultant within a one-year period shall not exceed 2% of the issued and outstanding Common Shares at the time of grant and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company to any one Consultant shall not exceed 2% of the issued and outstanding Common Shares; and all Optionees performing investor relations activities within a one-year period, may not in the aggregate exceed 2% of the issued and outstanding Common Shares, and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company shall not exceed, in the aggregate, 2% of the issued and outstanding Common Shares.

3. The Board shall fix the option price per Common Share which shall not be less than the closing market price of the Common Shares on the TSX.V one trading day prior to the effective date on which the option is granted by the Board and if there is no sale on such trading day, then the last closing market price on the TSX.V prior to the effective date on which the option is granted.
4. The term of an option shall not be less than one year and not more than ten years from the date of grant, subject to the other terms of the 2010 Option Plan.
5. The Board shall determine at the time of granting an option to an Optionee pursuant to the Plan the maximum number of Common Shares that may be exercised by such Optionee in each year during the term of the option. Subject, however, to the restriction that any options granted to an Optionee performing investor relations activities shall vest over a minimum of a one-year period and no more than one-quarter (1/4) of such options may vest in any three (3) month period. Notwithstanding the foregoing, any unvested options shall vest immediately on the date that is one business day prior to the date on which the Sale provided for in such agreement is completed, or, in the case of a Take-over Bid (as defined in the *Securities Act* (British Columbia)) having been made, one business day prior to the date on which the Common Shares shall have been taken up by the offeror, or in either case on such other date as may be set by resolution of the Board. "Sale" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly-owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

6. Where an option expires during a Black-Out Period or during the ten business days following the end of the Black-Out Period, the term of such option shall be extended to the date that is the tenth business day following the end of such Black-Out Period. "**Black-Out Period**" means the period during which designated employees of the Company cannot trade the Common Shares pursuant to the Company's policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an insider, that insider, is subject).
7. In the event of the death of an Optionee while in the employment, or as a director or officer, of the Company or a subsidiary of the Company prior to 5:00 p.m. (Vancouver time) on the expiry date of the option (the "**Expiry Date**"), the option may be exercised by the legal representatives of such Optionee at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the date which is the first anniversary of the date of death of such Optionee or the Expiry Date, whichever is the earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever.
8. In the event of: (i) the removal of an Optionee as a director of the Company or a subsidiary of the Company other than in the event of death of the Optionee, such that the Optionee is no longer an Eligible Participant; or (ii) the discharge of an Optionee as an officer or employee of the Company or a subsidiary of the Company for Cause (as such term is defined in the 2010 Option Plan), in each such case all options granted to such Optionee under the 2010 Option Plan shall in all respects forthwith cease and terminate and be of no further force or effect whatsoever, upon notice of such removal or discharge being given by the Company or subsidiary of the Company to such Optionee. "**Eligible Participants**" means such bona fide directors, officers, employees and consultants of the Company or its subsidiaries as represented by the Board, which shall from time to time be determined in its sole discretion.
9. In the event of termination of employment of an Optionee by the Company or a subsidiary of the Company other than in the circumstances referred in paragraphs (7) and (8), above, such that the Optionee is no longer an Eligible Participant, such Optionee may exercise each vested option then held by such Optionee under the 2010 Option Plan to the extent that such Optionee was entitled to do so at the time of such termination of employment, at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the ninetieth (90) day (or such later day as the Board in its sole discretion may determine) following the effective date of termination of employment, or the Expiry Date, whichever is earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever.
10. Each option granted under the 2010 Option Plan is non-assignable and non-transferable by the Optionee.

There were 9,198,000 options issued and outstanding under the 2010 Option Plan representing 9.94% of the Company's issued and outstanding Common Shares, as at March 31, 2015.

Based upon the Company's issued and outstanding Common Shares and the number of outstanding stock options as at March 31, 2015, the Company can issue stock options exercisable to purchase an additional 56,511 Common Shares under the 2010 Option Plan, representing 0.06% of the Company's issued and outstanding share capital as at March 31, 2015. Additional options may be granted as additional Common Shares are issued by the Company.

Under the 2010 Option Plan, the CEO makes recommendations to the Compensation Committee regarding individual stock option awards for all recipients including grants that are awarded outside the annual compensation deliberation process for such things as promotions or new hires. The Compensation Committee typically reviews the appropriateness of the stock option grant recommended by the CEO and accepts or adjusts such grants when making a recommendation to the Board. The CEO does not engage in discussions with the Compensation Committee regarding his own stock option grants.

Plan Amendments

The Board may amend, vary or discontinue the 2010 Option Plan, provided that any such amendment, variance or discontinuance will not become effective unless and until approved by the Shareholders as required by applicable regulatory authorities. The Board shall have the power and authority to approve amendments relating to the 2010 Option Plan without further approval of the Shareholders, to the extent that such amendments relate to, among other things:

- (a) the provisions of a "housekeeping" or "clerical" nature;

- (b) the vesting provisions of the 2010 Option Plan or any option under the 2010 Option Plan;
- (c) the early termination provisions of the 2010 Option Plan or any option granted under the 2010 Option Plan (provided that the change does not entail an extension beyond the original expiry date of such option);
- (d) any adjustments in event of change in structure of capital/change of control;
- (e) any addition to or deletion or alteration of the provisions of the 2010 Option Plan that are reasonably necessary to allow participants to receive fair and favourable tax treatment under relevant tax legislation;
- (f) the mechanics of exercise of the options, such as changing the form to be used to give notice of exercise and the person to whom the notice of exercise is to be directed; and
- (g) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable laws.

Pursuant to the policies of the TSX.V, listed companies must obtain approval of both the TSX.V and a majority of its Shareholders to adopt or renew a stock option plan and moreover, disinterested Shareholder approval for: (i) a reduction in the exercise price or an extension of the term of any option issued under the 2010 Option Plan benefiting an insider of the Company; (ii) any amendment to remove or to exceed the insider or individual participation limit under the 2010 Option Plan; (iii) an increase to the maximum number of options issuable, either as a fixed number or a fixed percentage of the Company's outstanding Common Shares; and (iv) any amendments to the amending provisions of the 2010 Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth below, no director, senior officer or associate of a director or senior officer nor, to the best knowledge of the directors or senior officers of the Company after having made reasonable inquiry, any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company outstanding at the date hereof, or any associate or affiliate thereof, has any interest in any material contracts to which the Company is a party.

The following material transactions occurred with informed persons during the fiscal year ended December 31, 2014. All related party transactions are detailed in the Company's Management Discussion & Analysis for the year ended December 31, 2014, which has been filed on SEDAR (www.sedar.com).

- (a) On July 1, 2010, the Company entered into a consulting services agreement with Gordann Consultants, pursuant to which Gordon Ellis (the "Consultant") provides services as a senior officer of the Company. The Company paid consulting fees of \$48,000 during the fiscal year ended December 31, 2014 to Gordann Consultants. As at December 31, 2014 the amount payable to Gordann Consultants was nil.
- (b) On August 7, 2014 the Company closed a non-brokered private placement ("Placement") and issued 8,050,000 units ("Units") priced at \$0.20 per Unit. With each Unit consisting of one Common Share in the capital of Lupaka and one transferable Common Share purchase warrant. As part of the Placement, certain directors and officers of the Company acquired a total of 1,050,000 Units.
- (c) On October 15, 2014 the Company entered into a consulting services agreement with Estudio Pinto Abogados pursuant to which Jaime Pinto provides services to assist and represent the Company in Peru. The consulting agreement provides that Estudio Pinto receives a retainer of USD\$5,000 per month. Any hours worked in excess of the equivalent of 20% of Mr. Pinto's monthly billable time will be paid at Estudio Pinto's market rate. The Company paid consulting fees of \$16,697 during the fiscal year ended December 31, 2014 to Estudio Pinto Abogados. As at December 31, 2014 the amount payable to Gordann Consultants was nil.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who was a director or senior officer of the Company at any time since the beginning of the Company's last completed financial year, no person who is a proposed nominee for election as a director of the Company and no associate or affiliate of any such director, senior officer or proposed nominee has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors.

CORPORATE GOVERNANCE DISCLOSURE

The Board, as a whole, is responsible for reviewing the overall governance principles of the Company and is responsible for any governance issues that may arise. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires each reporting Issuer to disclose its corporate governance practices on an annual basis. See attached Schedule "A" - "Corporate Governance Disclosure".

APPOINTMENT AND REMUNERATION OF AUDITOR

Shareholders will be asked to approve the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the shareholders at remuneration to be fixed by the directors. Each holder of Common Shares will be entitled to cast their votes for, or withhold their votes from, the appointment of the PricewaterhouseCoopers. **The persons named in the enclosed form of proxy will vote FOR the appointment of PricewaterhouseCoopers LLP., Chartered Accountants, of 250 Howe Street, Suite 700, Vancouver, British Columbia, V6C 3S7, as the Company's auditor to hold office until the next annual general meeting of the Shareholders, at a remuneration to be fixed by the directors.** PricewaterhouseCoopers LLP, has served as the Company's auditor since 2010.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of the Amended and Restated 2010 Option Plan

The 2010 Option Plan was approved by the Shareholders on September 20, 2010 and re-approved on May 16, 2014. As set out under the heading "*Securities Authorized for Issuance Under Equity Compensation Plans*" the maximum number of Common Shares that may be reserved for issuance under the 2010 Option Plan at any point in time is 10% of the total number of issued and outstanding Common Shares of the Company at the time the Common Shares are reserved for issuance pursuant to a grant of options under the 2010 Option Plan. As at March 31, 2015 there were options outstanding to purchase an aggregate of 9,198,000 Common Shares, representing approximately 9.9% of the current issued and outstanding Common Shares.

The policies of the TSX requires that the 2010 Option Plan be submitted to Shareholders for re-approval every three years, the Shareholders approved the 2010 Option Plan on May 16, 2014. Effective February 17, 2015 the Company's Common Shares delisted from the Toronto Stock Exchange and commenced trading on the TSX.V February 18, 2015. As a result, the Company is to abide by the policies of the TSX.V and therefore incorporated the following significant changes, as more fully set out in Schedule C attached to this Circular.

- (a) Referred to the Exchange as both the Toronto Stock Exchange and the Venture Exchange of the TSX;
- (b) Incorporated the definition of a consultant the limitations the Company must adhere to;
- (c) Incorporated the definition of persons performing investor relations activities and the limitation the Company must adhere to;
- (d) The Directors to represent that options will be granted to bona fide employees, directors, officer and consultants;
- (e) Administration of the plan to be set out by independent directors as defined in NP-58-101;
- (f) Option to be non-transferable; and
- (g) Clerical matters to remove matters no longer in existence, i.e. special warrants and priceless exercises.

If the 2010 Option Plan is not approved at the Meeting, the Company will not be able to grant further options and all previously granted options will not be available for re-allocation if the options are cancelled prior to exercise. All previously allocated options will continue unaffected.

The 2010 Option Plan is described in more detail above under the heading “*Securities Authorized for Issuance Under Equity Compensation Plans*”. A copy of the 2010 Option Plan with amendments made where indicated, is attached to this Circular as Schedule C.

Accordingly, at the Meeting, Shareholders will be asked to consider, and if thought fit, approve with or without variation, an ordinary resolution in substantially the following form.

UPON MOTION IT WAS RESOLVED THAT:

1. the amended and restated 2010 Option Plan, subject to review and acceptance by the TSX Venture Exchange, is hereby approved;
2. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

The Board unanimously recommends that Shareholders vote in favour of the above resolution re-approving amended and restated 2010 Option Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the amended and restated 2010 Option Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is on the SEDAR website at www.sedar.com under Lupaka’s profile. Financial information is provided in the Company’s audited consolidated financial statements and related management’s discussion and analysis for its most recently completed financial year, and annual information form are filed and available on SEDAR or on the Company’s website at www.lupakagold.com.

Shareholders may request copies of the Company’s audited consolidated financial statements and management’s discussion and analysis by contacting the Corporate Secretary at 604-681-5900 or by emailing info@lupakagold.com.

OTHER MATTERS

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter with the best judgement of the person or persons voting the proxy.

APPROVAL AND SIGNATURE

The contents of this Circular and the sending of it to each shareholder entitled to receive the Notice of Meeting, to each director of the Company, to the auditor of the Company, and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Company.

ON BEHALF OF THE BOARD

/s/ Gordon L. Ellis

Gordon L. Ellis
Executive Chairman of the Board

SCHEDULE A
LUPAKA GOLD CORP.
CORPORATE GOVERNANCE DISCLOSURE
March 31, 2015

General

The Board is responsible for managing or supervising the management of the business and affairs of the Company. Executive Management is responsible for the day-to-day conduct of the business. The Board's objective is to preserve and enhance corporate value. In performing its functions, the Board will act honestly and in good faith with a view to the best interests of the Company.

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Company's corporate governance practices are subject to at least an annual review and evaluation by the Board's Governance and Nominating Committee. The Governance and Nominating Committee assists the Board by providing a focus on high standards of Board governance, by assessing and making recommendations to the Board about board effectiveness and by establishing a process for identifying, recruiting and appointing directors to the Board and its committees. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires the Company to disclose its corporate governance practices on an annual basis by providing in the information circular the disclosure required by Form 58-101F2. The following describes the Company's current corporate governance practices.

Board of Directors

The Board is currently comprised of seven (7) directors, the majority of whom are "independent" directors within the meaning of NI 58-101. A director is "independent" if he is independent of management and has no direct or indirect material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of the member's independent judgment.

The Board has considered the relationship of each director to the Company. At the date of this Circular, two of the Company's directors are not considered to be independent for the purposes of NI 58-101. Messrs. Ellis and Edwards are not considered to be independent because of their current or previous management positions with the Company. Messrs. Graf, Keevil, Shaheen, Silbernagel and Pinto are all independent directors. Mr. Pinto is a partner with the firm Estudio Pinto Abogados of Lima, Peru. Estudio Pinto Abogados has provided legal services to the Company or its subsidiaries during the past year. The Board has determined that Mr. Pinto is independent as the fees charged by Estudio Pinto Abogados are not considered to be significant, however Mr. Pinto is not eligible to sit on the Audit Committee for the purposes of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

Although Messrs. Ellis and Edwards are not considered to be independent within the meaning of NI 58-101, the Board has instituted a practice, whereby at the conclusion of each regularly scheduled board or committee meeting, the Company's independent directors, at their discretion hold an in-camera session at which non-independent directors and management are not in attendance. During 2014, eight out of nine Committee meetings held had an in-camera session and three out of 5 regularly scheduled Board meetings held an in-camera session.

The Chairman of the Board is Gordon L. Ellis who is not an independent director. The Board does not currently have a "lead director". The Board provides leadership to its independent directors by formal Board meetings, by encouraging independent directors to bring forth agenda items, and by providing independent directors with access to senior management, outside advisors, and unfettered access to information regarding the Company's activities. In addition, all members of the Governance and Nominating Committee are independent. The relatively small size of the Board facilitates this process.

Attendance of Directors at Board and Committee Meetings

The following table sets out the number of meeting held by the Board, independent directors and committees of the directors for the period commencing January 1, 2014 to December 31, 2014.

Summary of Board and Committee Meetings Held				
	Board Meetings	Audit Committee Meetings ⁽¹⁾	Compensation Committee Meetings ⁽²⁾	Governance & Nominating Committee Meetings ⁽³⁾
Meetings Held	7	4	2	3
Summary of Board and Committee Meetings Attended				
Directors	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	Governance & Nominating Committee Meetings
Gordon L. Ellis	6/7	N/A	N/A	N/A
Eric H. Edwards	7/7	N/A	N/A	N/A
Hernan F. Barreto ⁽⁴⁾	5/7	2/2	N/A	0/1
John K. Graf	7/7	4/4	1/1	1/1
Norman B. Keevil	7/7	N/A	2/2	3/3
Jaime A. Pinto	7/7	2/2	N/A	1/2
Luquman Shaheen	7/7	N/A	1/1	2/2
Stephen H. Silbernagel	7/7	4/4	2/2	N/A

Notes:

- (1) The Audit Committee meets at least four times annually, or more frequently as circumstances dictate. As of March 31, 2015 the Audit Committee is comprised of John K. Graf (Chairman), Norman B. Keevil and Stephen H. Silbernagel.
- (2) The Compensation Committee meets at least two times annually or as deemed necessary or appropriate. The Compensation Committee is comprised of Stephen H. Silbernagel (Chairman), Luquman Shaheen and Norman B. Keevil.
- (3) The Governance & Nominating Committee meets at least twice annually or as deemed necessary or appropriate. The Governance & Nominating Committee is comprised of Norman B. Keevil (Chairman), Jaime A. Pinto and Luquman A. Shaheen.
- (4) Mr. Barreto resigned as a Director of the Company on February 11, 2015.

Other Directorships

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Gordon L. Ellis	United States Commodity Funds, LLC ^{(1) (2)}
Eric H. Edwards	Sunridge Gold Corp. ⁽³⁾
Norman B. Keevil	Teck Resources Limited ^{(1) (4)}
Luquman A. Shaheen	Panoro Minerals Ltd. ⁽³⁾

Notes:

- (1) Listed on the New York Stock Exchange.
- (2) United States Commodity Funds, LLC is the general partner of each of United States Oil Fund, LP, United States Natural Gas Fund, LP, United States 12 Month Oil Fund, LP, United States Gasoline Fund, LP, United States Heating Oil Fund, LP, United States Short Oil Fund, LP, United States 12 Month Natural Gas Fund, LP, United States Brent Oil Fund, LP, United States Commodity Index Funds Trust and United States Commodity Funds Trust I, which are all listed on the New York Stock Exchange.
- (3) Listed on the TSX.V.
- (4) Listed on the TSX.

Board Mandate

The Board has adopted a written mandate of which the text of the Mandate is attached as Schedule "B" and was approved by the Board on November 6, 2014.

Position Descriptions

The Board has developed a written position description for the chair of the Board and the Chief Executive officer. The Board has not developed a position description for the chair of each Board committee. The role and responsibilities of each such position are delineated primarily by the operational requirements and function of the particular committee. Each such position entails the fundamental requirement to chair meetings of the committee, including the determination and control of the agenda for business considered, facilitation of discussion among members, recommendation of resolutions for the Board's consideration, and similar matters. Additional matters related to the role and responsibilities of each such position are determined by the written charter for each committee and through internal discussions among the members of the Board and each such committee. In all cases, the Company's committees are precluded from making decisions (other than for internal administrative matters) and may only submit recommendations to the Board prior to their adoption or implementation.

Orientation and Continuing Education

New directors are provided with details of the Company's organizational structure, the structure of the Board, compliance requirements for directors, company policies, the Articles of the Company, technical reports, strategic objectives and the Company's budget so as to familiarize themselves with the Company and its subsidiaries. They also meet with the directors and Executive Management to learn of the operations and activities of the Company.

On an ongoing basis, presentations are made to the Board on various aspects of the Company's operations. Board members are encouraged to communicate with Executive Management, the auditors and legal counsel. Directors can also access financial information, management and engage technical experts and consultants. Charters of each committee mandate the members to keep themselves current with industry trends and developments, and to attend related industry seminars. Directors attend conferences and seminars relevant to their particular professional expertise.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interest of the Company.

If a director or executive officer has an interest in any transaction or agreement before the Board, the interested directors or executive officers must abstain from voting on such issues and the discussion of such topics. Each director must disclose all actual or potential conflicts of interest to the Board or the Audit Committee.

The Board has adopted a written Code of Conduct (the "Code") for its directors, officers and employees (permanent or temporary), agents, contractors and consultants. The Board requires each officer and director to certify their agreement and compliance with the Code on an annual basis. A copy of the Code may be obtained by written request to the Company's offices located at #220 – 800 Pender St West, Vancouver, B.C., V6C 2V6 or can be viewed either on the Company's website at www.lupakagold.com or on SEDAR at www.sedar.com.

The Board has instructed management to bring any breaches of the Code to the attention of the Audit Committee and the Board. The Company has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statements disclosure issues, accounting, or internal controls, to report such violations or concerns on a confidential and anonymous basis directly to the attention of the chair of the Audit Committee either by mail c/o the Company or by email directly to the chair of the Audit Committee.

The Board has also adopted the Company's disclosure policy that covers the accurate and timely communication of all material information.

Nominations of Directors

The Governance and Nominating Committee is responsible for proposing new nominees to the Board. The Candidate may be identified by management, directors, or through the retention of advisors or other referral sources. This committee is responsible for identifying required competencies, skills, time commitment and resources of potential directors and in making such recommendations, shall consider the diversity, skills, experience, background, gender and geographic representation of the members, as a whole.

Compensation

For the Compensation of Directors the Company does not have any arrangements, standard or otherwise, for their services as directors except for the granting of incentive stock options from time to time in accordance with the 2010 Option Plan. For a discussion of the Compensation Committee's responsibilities and the process by which it determines the compensation of its Named Executive Officers see "Compensation Discussion and Analysis above.

Assessments

The Board conducts informal internal annual assessments of the Board's effectiveness, including each of its committees and individual directors. As part of these assessments, the Board and its committees compare their performance to their role and responsibilities as set out in their respective mandate or charters. In addition the Board and Audit Committee review and assess their performance using a written questionnaire.

Director Term Limits and Other Mechanisms

The Corporate Governance and Nominating Committee reviews each director's continuation on the Board annually and periodically considers whether term limits should be established for directors. The board believes that the imposition of term limits for directors discounts the value of experience and continuity on our board. Although the notional objective of term limits is to encourage board renewal and introduce new perspectives and skill sets, the board believes that it can achieve the right balance of these goals and board continuity without mandated term limits.

Policies Regarding the Representation of Women on the Board

The Board has not adopted a written policy relating to the identification and nomination of women directors or executive officers or set specific minimum targets for board or executive officer composition at this time. The Board believes that each potential nominee should be evaluated based on his or her individual merits and experience, taking in to account the needs of the Company and the current composition of the Board and management team, including the current level of representation of women in such position. There are currently no directors and one officer of the Company who are female.

SCHEDULE B
LUPAKA GOLD CORP.
BOARD OF DIRECTORS MANDATE

I. Purpose

The Board is responsible for managing or supervising the management of the business and affairs of the Company. Executive Management is responsible for the day-to-day conduct of the business. The Board's objective is to preserve and enhance corporate value. In performing its functions, the Board will act honestly and in good faith with a view to the best interests of the Company.

II. Procedures and Organization

A. The Board retains the responsibility for managing its own affairs including:

- (i) selecting its Chair;
- (ii) nominating candidates for election to the Board;
- (iii) constituting committees of the Board; and
- (iv) determining director compensation.

B. Subject to the Articles of the Company and the *Business Corporations Act* (British Columbia) (the "BCABC"), the Board may constitute, seek the advice of and delegate certain powers, duties and responsibilities to committees of the Board.

III. Duties and Responsibilities

A. Selection of Management

The Board is responsible for:

- (i) appointing the CEO and other officers of the Company;
- (ii) monitoring the CEO's performance and providing advice and counsel to the CEO in the execution of his or her CEO's duties;
- (iii) designating the members of the executive of the Company and such other officers of subsidiaries of the Company as "Executive Management";
- (iv) approving any employment contract entered into with Executive Management;
- (v) approving the compensation of the CEO and other members of Executive Management;
- (vi) satisfying itself as to the integrity of Executive Management and for ensuring that a culture of integrity exists throughout the Company; and
- (vii) ensuring that succession plans have been made for the Executive Management.

B. Strategy Determination and Monitoring

The Board is responsible for:

- (i) reviewing with Executive Management the long and short term business, objectives and goals of the Company, and the process by which it proposes to reach those goals;
- (ii) ensuring that a strategic planning process is conducted annually, and approving a strategic plan that takes into account, among other things, the opportunities and risks of the business;
- (iii) monitoring the Company's progress towards its goals, and if advisable, altering its direction in light of changing circumstances;
- (iv) at least annually, reviewing and approving the Company's operating budget and capital plans and approving any material amendments to or variances from these plans;
- (v) reviewing and approving expenditure authorization levels as required;
- (vi) approving any new financings;
- (vii) identifying the principal risks of the Company's business and taking all reasonable steps to ensure the implementation and maintenance of appropriate systems to manage these risks; and
- (viii) ensuring that systems are in place for the implementation of, and the maintenance and integrity of, internal controls, both financial and non-financial.

C. Governance

The Board is responsible for developing the Company's approach to corporate governance.

In particular, the Board shall ensure that:

- (i) the offices of Board Chair and CEO shall be held by different individuals;
- (ii) a majority of the Board shall be comprised of individuals who are independent of management. A director is independent if he or she would be independent for the purposes of (i) Canadian Securities Administrators National Instrument 58-101 *Disclosure Corporate Governance Practices*; and (ii) any other applicable legislation or policy;

- (iii) the independent members of the Board shall meet, at their discretion, in-camera, without management present, at the end of each board meeting;
- (iv) all directors have a thorough understanding of the Company's business. The Board shall also ensure that directors are provided with continuing education opportunities, and receive a proper orientation with respect to the business of the Company; and
- (v) plans have been made for succession of the Board Chair and Board Committee Chairs.

D Policies and Procedures

The Board is responsible for:

- (i) overseeing the Company's compliance with all significant Company policies and procedures;
- (ii) adopting a code of conduct and ensuring that systems are in place and are effective, such that all directors, officers and employees of the Company comply with the code. Any waivers from the Code of Conduct may only be granted by the Board; and
- (iii) directing management to implement systems which are designed to ensure that the Company operates at all times within applicable laws and regulations.

E. Compliance Reporting and Corporate Communications

The Board is responsible for:

- (i) ensuring that the financial performance of the Company is appropriately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (ii) ensuring that the financial results are reported fairly and in accordance with international financial reporting standards ("IFRS");
- (iii) ensuring that the Company has appropriate controls and procedures that enable information to be recorded, processed, summarized and reported within the time periods required by law;
- (iv) ensuring that the Company has taken appropriate steps to manage risk, including its environmental and social risks;
- (v) reporting annually to shareholders on the Board's stewardship for the preceding year (the Annual Report);
- (vi) approving the Company's disclosure policy and ensuring that the Company has in place practices to enable it to communicate effectively with its shareholders, stakeholders and the public generally; and
- (vii) ensuring the Company has in place procedures for receiving feedback from shareholders.

IV. General Legal Obligations of the Board of Directors

- A. The Board is responsible for directing management to ensure that legal requirements have been met, and that required documents and records have been properly prepared, approved and maintained.
- B. The BCABC identifies the following as legal requirements for the Board and individual directors:
 - (i) to manage or supervise the management of the business and affairs of the Company;
 - (ii) to act honestly and in good faith with a view to the best interests of the Company; and
 - (iii) to exercise the care, diligence and skill of a reasonably prudent person.
- C. In particular, the following are the responsibility of the Board and neither management nor any committee of directors has the authority to:
 - (i) submit to the shareholders any question or matter requiring the approval of the shareholders;
 - (ii) fill a vacancy among the directors or in the office of the auditor or appoint additional directors;
 - (iii) issue securities except as authorized by the directors;
 - (iv) declare dividends;
 - (v) on behalf of the company purchase, redeem or otherwise acquire shares issued by the Company;
 - (vi) pay a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (vii) approve a management proxy circular;
 - (viii) approve a take-over bid circular or directors' circular;
 - (ix) approve any financial statements or other statutory disclosure documents; or
 - (x) adopt, amend or repeal the Notice of Articles or the Articles of the Company.

All of the foregoing matters must be considered by the Board as a whole.

Reviewed by the Governance & Nominating Committee on the 30th day of October, 2014.

Approved by the Board of Directors on the 6th day of November, 2014.

SCHEDULE C
LUPAKA GOLD CORP.
2010 INCENTIVE STOCK OPTION PLAN
(Effective August 31, 2010, As Amended)

Lupaka Gold Corp. (the "Company") provides the "Lupaka Gold Corp. 2010 Incentive Stock Option Plan" (the "Plan") for the benefit of the respective directors, officers, employees and consultants of the Company and its subsidiaries.

1. DEFINITIONS

As used herein, the following terms shall have the following meanings:

- a) "Associate" shall have the meaning ascribed to that term in the *Securities Act* (British Columbia);
- b) "Black Out Period" means the period during which designated employees of the Company cannot trade the Common Shares pursuant to the Company's policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an insider, that insider, is subject);
- c) "Board" means the board of directors of the Company;
- d) "business day" means a day other than a Saturday, Sunday or any other day which is a statutory holiday in the Province of British Columbia;
- e) "Cause" shall mean that the Optionee shall have, in the reasonable judgment of the Board (i) been convicted of a criminal act of fraud or embezzlement, whether or not committed in the course of performing the services provided; (ii) been deliberately dishonest or shall have breached his fiduciary duty to the Company; (iii) taken actions that are reasonably likely to cause material harm or injury to the business, operations, financial condition, properties, assets, prospects, value or reputation of the Company; (iv) committed an act in deliberate disregard of the rules or policies of the Company which results in a material loss, damage or injury to the Company or adversely affects the business activities, financial condition, prospects, reputation, goodwill or image of the Company; (v) wilfully disregarded the lawful and reasonable directives of the Board clearly communicated to the Optionee; or (vi) acted with gross negligence or wilful misconduct with respect to the Company, or as defined in the Optionee's employment agreement or (vii) committed wilful and substantial breach of his or her employment duties;
- f) "Common Shares" means the common voting shares in the capital of the Company;
- g) "Eligible Participants" has the meaning ascribed to such term in section 6;
- h) "Exchange" means any stock exchange or exchanges on which the Common Shares of the Company are then listed and any other regulatory body having jurisdiction hereinafter, including without limitation the Toronto Stock Exchange (the "TSX") and the TSX Venture Exchange (the "TSXV");
- h)i) "Insider" means:
 - i) an insider as defined in the *Securities Act* (British Columbia), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Company; and
 - ii) an Associate of any person who is an insider by virtue of (i);
- j) "Consultant" means a Consultant as defined in the policies of the Exchange;
- k) "Investor Relations Activities" means Investor Relations activities as defined in the policies of the Exchange;
- i)l) "Optionee" has the meaning ascribed to such term in section 7;
- j)m) "Outstanding Issue" means the ~~aggregate~~ number of Common Shares ~~and Special Warrants~~ that are outstanding immediately prior to the option grant in question;

- ~~k)n~~ "Sale" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly-owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries;
- ~~h)o~~ "Securities Act (British Columbia)" means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended;
- ~~m)p~~ "Share Compensation Arrangements" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to one or more service providers, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise; and
- ~~n)~~ ~~"Special Warrant" means a special warrant issued by the Company prior to its initial public offering that entitles the holder to acquire, without payment of any consideration in addition to that paid for the special warrant, a Common Share and that will be deemed to be exercised on that day which is the earlier of:~~
- ~~i) the first (1st) business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and such other jurisdictions as may be determined by the Issuer qualifying the distribution of the shares to be issued upon exercise of the Special Warrants; and~~
- ~~ii) the tenth (10th) anniversary of the date of the Special Warrant certificate; and~~
- ~~o)q~~ "Take-over Bid" has the meaning ascribed to such term in subsection 8(j).

2. PURPOSE OF THE PLAN

The purpose of the Plan is to provide the Company and its subsidiaries with a share-related mechanism designed to develop and increase the interest in the growth and development of the Company and its subsidiaries and of the respective directors, officers, employees and consultants of the Company and its subsidiaries as may from time to time be granted options under the Plan by providing to them the opportunity to acquire a proprietary interest in the Company through the purchase of Common Shares.

3. IMPLEMENTATION

The Plan is subject to and is conditional upon: (a) the approval of the Plan by ~~The Toronto Stock Exchange and any other stock exchange on which the Common Shares of the Company may be posted and listed for trading~~the Exchange; and (b) the approval of the Plan by the shareholders of the Company given by the affirmative vote of a majority of the votes cast at a meeting of shareholders.

4. ADMINISTRATION

The Plan will be administered by the board of directors of the Company (the "Board"). In the alternative, the Board may appoint a Committee consisting of not less than two (2) members of the Board to administer the Plan on behalf of the Board, subject to such terms and conditions as the Board may prescribe, provided that each such member shall be independent as defined in National Policy ~~52-11058-101~~. Subject to the provisions of the Plan, the Board is authorized in its sole discretion to make such determinations under, and such interpretations of, and to take such steps and actions in connection with the proper administration of the Plan and to impose, amend (including to accelerate or otherwise change the time in which an option may be exercised in whole or in part) or revoke such rules and regulations concerning the granting of options pursuant to the Plan as it, in its sole discretion, may deem necessary or advisable. All questions arising as to the interpretation of the Plan or any option grants made thereunder shall be determined by the board from time to time, and any such determination will, absent manifest error, be final, binding and conclusive for all purposes. No member of the Board will be liable for any action or determination taken or made in good faith with respect to the Plan or any options granted thereunder and each such member shall be entitled to indemnification by the Company with respect to any such action or determination in the manner provided for by the Board. Any determination approved by a majority of the members of the Board will be

deemed to be a determination of that matter by the Board. Members of the Board may be granted options under the Plan.

5. NUMBER OF SHARES DEDICATED TO THE PLAN

Options shall not be granted under the Plan with respect to any class of shares in the capital of the Company other than Common Shares. The maximum number of Common Shares issuable pursuant to options granted under the Plan shall not exceed 10% of the Outstanding Issue or such greater number as may be approved from time to time by the shareholders of the Company. All options granted under the Plan will conform to all applicable provisions prescribed by the Plan and to such specific terms and conditions as may be determined by the Board at the time of making each such grant. The granting of any option must, in order to become effective and binding on the Company, be authorized or approved by the Board. Common Shares in respect of which an option is granted under the Plan, but not exercised prior to the termination of such option, whether through lapse of time, cancellation or otherwise, shall be available for options thereafter granted by the Board under the Plan. All Common Shares issued pursuant to the due exercise of options granted under the Plan will be so issued as fully paid and non-assessable shares.

6. ELIGIBILITY FOR OPTIONS

The persons who will be eligible to be granted options pursuant to the Plan ("Eligible Participants") will be such bona fide directors, officers, employees and consultants of the Company or its subsidiaries as represented by the Board, which shall from time to time ~~determine~~be determined in its sole discretion. In determining the options to be granted to Eligible Participants under the Plan, the Board will give due consideration to the value of each such person's present potential contribution to the Company's (or any subsidiary of the Company's) success and to the recommendation if any in that regard of the compensation committee, if any, of the Board.

7. GRANTING OF OPTIONS

Subject to the provisions herein set forth and after reviewing any recommendations from time to time made by the compensation committee, if any, of the Board, the Board shall, in its sole discretion, select the Eligible Participants to whom options under the Plan may be granted (herein sometimes referred to as the "Optionees"), the number of Common Shares to be optioned to each of them, the date or dates on which such options should be granted and the terms and conditions within the limits prescribed in Section 8 hereof attaching to each such option.

The aggregate number of Common Shares reserved for issuance pursuant to all options granted to-;

- (a) any one Optionee shall not exceed 5% of the ~~number of Common Shares outstanding on a non-diluted basis~~ Outstanding Issue at the time of such grant. ~~In addition, the issuance to-;~~
- (b) any one Insider and such Insider's Associates, within a one-year period, of Common Shares on the exercise of options may not in the aggregate exceed 5% of the Outstanding Issue, and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the ~~Corporation~~ Company to all Insiders and Insiders' Associates shall not exceed 10% of the Outstanding Issue. Notwithstanding anything else herein contained, the number of Common Shares which may be issued within any one-year period pursuant to the Plan and all other security based compensation arrangements of the ~~Corporation~~ Company to Insiders of the ~~Corporation~~ Company, or such Insiders' Affiliates shall not exceed 10% of the Outstanding Issue.;
- (c) any one Consultant within a one-year period, shall not exceed 2% of the Outstanding Issue at the time of such grant of Common Shares, and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company to any one Consultant shall not exceed 2% of the Outstanding Issue;
- (d) all Eligible Participants performing Investor Relations Activities, within a one-year period, may not in the aggregate exceed 2% of the Outstanding Issue, and the number of Common Shares which may be reserved for issuance under the Plan and under any other security based compensation arrangements of the Company shall not exceed, in the aggregate, 2% of the Outstanding Issue.

The granting of an option under the Plan to an Eligible Participant shall neither entitle nor preclude such Eligible Participant from being subsequently granted one or more additional options to purchase Common Shares under the Plan.

8. TERMS AND CONDITIONS OF THE OPTIONS

The terms and conditions of each option granted under the Plan shall be set forth in an option agreement (an "Option Agreement") to be entered into between the Company and each Optionee, such agreement to be in such form as may from time to time be approved by the Board. The Option Agreement shall include the following terms and conditions as well as such other terms and conditions not inconsistent with the Plan as may be deemed advisable by the Board:

- (a) Number of Shares - The Board shall, in its sole discretion, fix the aggregate number of Common Shares which are the subject of the option so granted.
 - (b) Option Price – The Board shall fix the option price per Common Share which shall not be less than the market price in Canadian dollars on ~~The Toronto Stock~~the Exchange of the Common Shares at the time of the granting of such option. For the purposes of this subparagraph 8(b), "market price" of the Common Shares shall mean the closing market price on ~~The Toronto Stock~~the Exchange one trading day prior to the effective date on which the option is granted by the Board and if there is no sale on such trading day, then the last closing market price on ~~The Toronto Stock~~the Exchange prior to the effective date on which the option is granted. If the Common Shares are not then traded on ~~The Toronto Stock~~the Exchange, "market price" of the Common Shares shall mean the closing market price on such public market on which the Common Shares are then traded, as selected by the Board, in its sole discretion, one trading day prior to the effective date on which the option is granted by the Board and if there is no sale on such trading day, then the last closing price on such public market prior to the effective date on which the option is granted. If the Common Shares are not then traded on any public market, the Board in its sole discretion shall determine the "market price" at the time of grant, which shall not be less than the highest price per Common Share ~~or Special Warrant~~at which any private placement financing has been accepted by the Company within the immediately preceding one-year period. Any reduction in the price of a previously granted option to an Insider of the Company will require the approval of disinterested shareholders.
 - (c) Payment - The full purchase price of the Common Shares purchased upon the exercise of the option shall be paid for in cash or by certified cheque or bank draft upon the exercise thereof. An Optionee who is not already a shareholder of the Company shall have none of the rights of a shareholder of the Company until Common Shares issuable pursuant to the exercise of an option granted to an Optionee are issued to such Optionee.
 - (d) Vesting - Subject to subsection 8(j) of this Section 8, the Board shall determine; at the time of granting an option to an Optionee pursuant to the Plan; the maximum number of Common Shares that may be exercised by such Optionee in each year during the term of the option; subject, however, to the restriction that any options granted ~~prior to the closing of the Company's initial public offering shall not vest until the Common Shares are posted and listed for trading on a Canadian stock exchange to Eligible Participants performing Investor Relations Activities shall vest over a minimum of a one-year period and no more than 25% of such options shall vest in any three (3) month period.~~
- Notwithstanding the foregoing, any unvested options shall vest immediately on the date that is one business day prior to the date on which the Sale provided for in such agreement is completed, or, in the case of a Take-over Bid having been made, one business day prior to the date on which the shares shall have been taken up by the offeror, or in either case on such other date as may be set by resolution of the Board.
- (e) Term of Option - The term of the option shall not be for less than one year and not more than 10 years from the date the option is granted, subject always to subsections (f), (g), (h), (i) and (j) of this Section 8.
 - (f) Extension of Options Expiring During Black-Out Period - If at any time the ending date of a term of option should be determined to occur either during a Black Out Period or within 10 business days

following such period, the ending date of the term of the option shall be deemed to be the date that is the tenth business day following the end of such Black-Out Period.

- (g) Death of Optionee - In the event of the death of an Optionee while in the employment, or as a director or officer, of the Company or a subsidiary of the Company prior to 5:00 p.m. (Vancouver time) on the expiry date of the option (the "Expiry Date"), the option may be exercised, as to all or any of the Common Shares forming the subject matter of such option in respect of which such Optionee would have been entitled to exercise the option hereunder at the time of the death of such Optionee if such Optionee had survived, by the legal representatives of such Optionee at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the date which is the first anniversary of the date of death of such Optionee or the Expiry Date, whichever is the earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever as to such of the Common Shares in respect of which such option had not been previously exercised.
 - (h) Discharge of Optionee - In the event of: (i) the removal of an Optionee as a director of the Company or a subsidiary of the Company other than in the circumstances referred to in subsection (g), above, such that the Optionee is no longer an Eligible Participant; or (ii) the discharge of an Optionee as an officer or employee of the Company or a subsidiary of the Company for Cause, in each such case all options granted to such Optionee under the Plan shall in all respects forthwith cease and terminate and be of no further force or effect whatsoever as to such of the Common Shares in respect of which such option had not previously been exercised, upon notice of such removal or discharge being given by the Company or subsidiary of the Company to such Optionee. For the purposes of the Plan, the determination by the Company that such Optionee was discharged as an employee of the Company or a subsidiary of the Company for Cause shall be binding upon such Optionee.
 - (i) Other Termination of Employment of Optionee - In the event of termination of employment of an Optionee by the Company or a subsidiary of the Company other than in the circumstances referred to in subsections (g) and (h), above, such that the Optionee is no longer an Eligible Participant, such Optionee may exercise each vested option then held by such Optionee under the Plan to the extent that such Optionee was entitled to do so at the time of such termination of employment, at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the 90th day (or ~~such later day~~ up to one year as the Board in its sole discretion may determine) following the effective date of termination of employment, or the Expiry Date, whichever is earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever as to such of the Common Shares in respect of which such option had not been previously exercised.
 - (j) As used in this subsection 8(j):
 - (i) "offeror" has the meaning ascribed to that term in the Securities Act (British Columbia);
 - (ii) "Take-over Bid" means a take-over bid, as defined in the Securities Act (British Columbia), which is made:
 - (A) for all of the issued and outstanding shares of any one or more classes of shares in the capital of the Company; or
 - (B) for all of the issued and outstanding shares of any one or more classes of shares in the capital of the Company other than:
 - (1) those shares in the capital of the Company which are then owned by the offeror under such Take-over Bid; and/or
 - (2) those shares in the capital of the Company which the offeror under such Take-over Bid then otherwise has, directly or indirectly, the right to acquire;
- and
- (iii) "Sale" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly-owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the

Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

If the Company enters into an agreement providing for a Sale of the Company; or if a Take-over Bid shall be made, the Board may, at any time thereafter, authorize the Company to give a notice in writing to each Optionee advising such Optionee that, notwithstanding any other provision of the Plan, all options granted to such Optionee under the Plan will expire on the date -determined by the Board as specified in such notice (provided that the date determined by the Board as specified in such notice shall not increase the term of any option granted under the Plan), which date shall in no event be the earlier of:

(A) 60 days following the date of such notice; and

(B) in the case of the Company having entered into an agreement providing for a Sale, one business day prior to the date on which the Sale provided for in such agreement is completed, or, in the case of a Take-over Bid having been made, one business day prior to the date on which there shall have been taken up by the offeror thereunder at least 90% of the total number of the issued and outstanding shares of each class of shares in the capital of the Company in respect of which such Take-over Bid is being made and, for this purpose, all shares of each class of shares in the capital of the Company in respect of which such Take-over Bid is made which are owned by the offeror at the expiry of such Take-over Bid shall be deemed to have been taken up pursuant to such Take-over Bid.

In the event that such a notice is given by the Company, each Optionee shall have the right, on such terms and conditions as may be prescribed in such notice, to:

(i) acceleration or change of the exercise and/or expiration dates of any Option to require that exercise be made, if at all, prior to the Sale; (ii) cancellation of any Option upon payment to the holder in cash of the Fair Market Value of the Common Stock subject to such Option as of the date of (and, to the extent applicable, as established for purposes of) the Sale, less the aggregate exercise price of the Option; and (iii) arrangements to have replaced the Options granted hereunder with options with respect to such entity's securities, subject to appropriate adjustments in the number of shares and the exercise prices of, with regard to the Sale. In the event of a sale as above the Board will endeavour to support a cashless exercise wherein optionees may elect to exercise their options and receive the difference between the exercise price and stock sale price upon closing.

(k) Non-Assignability and Non-transferability of Option - Each option granted under the Plan shall be non-assignable and non-transferable by the Optionee.

(l) Exercise of Option - Subject to the provisions of the Plan, an option granted under the Plan shall be exercised from time to time by the Optionee, or in the event of death by his legal representatives, by giving notice in writing addressed to the Company at its principal office, to the attention of the Secretary of the Company, specifying the number of Common Shares forming the subject matter of such option in respect of which such notice is being given, together with payment (by cash, certified cheque or bank draft) in full of the purchase price of the Common Shares being purchased.

9. ADJUSTMENTS IN EVENT OF CHANGE IN STRUCTURE OF CAPITAL

Appropriate adjustments in the number of Common Shares and in the option price per Common Share, relating to options granted or to be granted, shall be made by the Board in its sole discretion to give effect to adjustments in the number of Common Shares resulting, subsequent to the approval of the Plan, from any subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Company or other relevant changes in the capital structure of the Company. Any such adjustments shall be subject to the approval thereof by such stock exchanges on which the Common Shares are then listed for trading.

10. AMENDMENT OR DISCONTINUANCE OF PLAN

The Board may amend, vary or discontinue the Plan, provided that any such amendment, variance or discontinuance will not become effective unless and until approved by the shareholders of the Company as required by applicable regulatory authorities.

The Board shall have the power and authority to approve amendments relating to the Plan without further approval of the shareholders of the Company, to the extent that such amendments relate to, among other things:

- (a) the provisions of a "housekeeping" or "clerical" nature;
- (b) the vesting provisions of the Plan or any option under the Plan, subject to Section 8(d);
- (c) the early termination provisions of the Plan or any option granted under the Plan (provided that the change does not entail an extension beyond the original expiry date of such option);
- ~~(d) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of participants, and the subsequent amendment of any such provision which is more favourable to such participants;~~
- ~~(e) the addition or modification of any cashless exercise feature, payable in cash or Common Shares;~~
- ~~(f)(d)~~ any adjustments in event of change in structure of capital/change of control;
- ~~(ge)~~ any addition to or deletion or alteration of the provisions of the Plan that are reasonably necessary to allow participants to receive fair and favourable tax treatment under relevant tax legislation;
- ~~(hf)~~ the mechanics of exercise of the options, such as changing the form to be used to give notice of exercise and the person to whom the notice of exercise is to be directed; and
- ~~(ig)~~ any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable laws.

11. MISCELLANEOUS

Nothing contained in the Plan nor in any option granted thereunder shall be deemed to give any Optionee any interest or title in or to any shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the exercise of any option.

The Plan does not give any ~~optionee~~Optionee or any employee of the Company or any of its subsidiaries the right or obligation to or to continue to serve as a director, officer or employee, as the case may be, of the Company or any of its subsidiaries. The awarding of options to any Eligible Participant is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.

No fractional Common Shares shall be issued upon the exercise of options granted under the Plan and, accordingly, if an Optionee would otherwise become entitled to a fractional Common Share upon the exercise of an option, such Optionee shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment shall be made with respect to the fractional interest so disregarded.

12. BINDING EFFECT

The Company and every Optionee shall be bound by the terms and conditions of the Plan.

13. COMPLIANCE WITH APPLICABLE LAW

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.