



**LUPAKA GOLD CORP.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be held on May 16, 2014**

**DATED: MARCH 11, 2014**



## 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, 10<sup>th</sup> floor, Vancouver, British Columbia V6C 2T5, **on Friday, May 16, 2014 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, 2013 together with the report of the auditors thereon;
2. To set the number of directors for the ensuing year at eight (8);
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 an ordinary resolution re-approving the Company’s existing 2010 Incentive Stock Option Plan, as required by the Toronto Stock Exchange; 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 March 19, 2014 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 May 14, 2014, 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 10<sup>th</sup> day of April, 2014.

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 Friday, May 16, 2014 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, 10<sup>th</sup> floor, Vancouver, British Columbia V6C 2T5.

The information contained in this Circular is given as of March 11, 2014, 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 10, 2014. 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 May 14, 2014 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 has decided to deliver the notice of Meeting, this Circular and the form of proxy (the "**Meeting Materials**") to Registered Shareholders and Beneficial Shareholders 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 Thursday, April 10, 2014, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of Thursday, April 10, 2014.

Shareholders who 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, 9<sup>th</sup> 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, 9<sup>th</sup> Floor, 100 University Avenue Toronto, Ontario M5J 2Y1, or to the head office of the Company located at #428 – 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 March 19, 2014. Only persons who were Registered Shareholders as of the close of business on March 19, 2014 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 11, 2014, the Company has a total of 84,495,110 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 Toronto Stock Exchange (the "**TSX**") 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".

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	11,523,373 <sup>(1)</sup>	13.6%

Note:

- (1) This amount includes 91,500 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. The size of the Board is currently set at eight (8) directors as at the last Annual General Meeting. Management of the Company is seeking Shareholder approval through an ordinary resolution to fix the number of directors of the Company at eight (8) for the ensuing year.

## ELECTION OF DIRECTORS

The Board presently consists of eight 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 eight 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", "Other Directorships" and "Attendance of Directors at Board and Committee Meetings".

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Offer Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed <sup>(1)(2)</sup>	Number of Options Held <sup>(3)</sup>
<b>Gordon L. Ellis</b>			
British Columbia, Canada	11,523,373 <sup>(4)</sup>	Nil	515,000
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.		

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Offer Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed <sup>(1)(2)</sup>	Number of Options Held <sup>(3)</sup>
<b>Eric H. Edwards</b>			
British Columbia, Canada  Director since: January 2011  Non-Independent Member of the Board	1,017,507	100,000	792,000
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 TSX, until it was acquired by Goldcorp. Inc. in December 2010. Mr. Edwards was the President of Ventura Gold Corp. (" <b>Ventura</b> "), a junior mineral exploration company which is publicly traded on the TSX Venture Exchange (the " <b>TSXV</b> "), 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.			
<b>Hernan F. Barreto</b>			
Lima, Peru  Director since: May 2013  Independent Member of the Board  Member of the AC	Nil	Nil	165,000
Principal Occupation for the Past Five Years: Senior Consulting Engineer.  Mr. Barreto has been Executive Chairman of Consorcio Peruano de Minerales, S.A. since October 2007, a privately-held mining and trading company, located in Lima, Peru, that provides consulting services to the mining industry focusing on the development of gold and base metals projects and the assessment of mining operations. Mr. Barreto has over 35 years of business experience in the mining and energy sector where he has chaired several companies and has worked as a senior executive officer for multi-million dollar public and private companies throughout Peru and Latin-America. Mr. Barreto has been a director and Secretary of the Institute of Mining Engineers of Peru (IIMP) since March 2012. From March 2005 to March 2011, Mr. Barreto was a member of the Executive Committee and the Board of Directors of FERREYROS, the representative of Caterpillar in Peru with sales of over a billion dollars. Mr. Barreto received his Bachelor of Science degree in 1962 from Universidad Nacional Agraria, Lima, Peru, and a Master of Science degree in Chemical Engineering in 1965 from Massachusetts Institute of Technology, Cambridge, Massachusetts, United States. He has been a Fulbright and a Rockefeller Foundation Scholar and member of Sigma Xi and former member of American Institute of Chemical Engineering and National Society for Advancement of Science from the United States.			



Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Offer Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed <sup>(1)(2)</sup>	Number of Options Held <sup>(3)</sup>
<b>John K. Graf</b>			
British Columbia, Canada	150,000 <sup>(5)</sup>	25,000 <sup>(5)</sup>	444,000
Director since: November 2010  Independent Member of the Board  Chair & Member of the AC  Member of the CC	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 in 1966.		
<b>Norman B. Keevil</b>			
British Columbia, Canada	200,000 <sup>(6)</sup>	Nil	444,000
Director since: August 2010  Independent Member of the Board  Chair & Member of the GNC  Member of the CC	Principal Occupation for the Past Five Years: Engineer and Business Executive.  Since April 1998, Mr. Keevil has been a director of Teck Resources Ltd., 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.		
<b>Jaime A. Pinto</b>			
Lima, Peru	Nil	Nil	165,000
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 Masters in Law from Harvard Law School in June 1982.		
<b>Luquman A. Shaheen</b>			
British Columbia, Canada	Nil	Nil	165,000
Director since: May 2013  Independent Member of the Board  Member of the GNC	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 TSXV. 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.		

Nominees for Election as Directors	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Number of Offer Warrants Beneficially Owned, Directly or Indirectly or Controlled or Directed <sup>(1)(2)</sup>	Number of Options Held <sup>(3)</sup>
<b>Stephen H. Silbernagel</b>			
British Columbia, Canada	330,000 <sup>(7)</sup>	5,500	444,000
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 Laws degree in May 1972.		

**Notes:**

- (1) The number of Common Shares and Offer Warrants 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](http://www.sedi.ca). Unless otherwise indicated herein all Common Shares are held directly.
- (2) The Company completed its initial public offering on June 28, 2011 ("IPO Date") of 13,333,334 units (the "Units") of the Company at a price of \$1.50 per Unit for aggregate gross proceeds of \$20,000,001. Each Unit consisted of one Common Share of the Company and one-half of one common share purchase warrant (each whole warrant, an "Offer Warrant") issued pursuant to a warrant indenture between the Company and Computershare Trust Company of Canada, as warrant agent, each Offer Warrant being exercisable to purchase an additional Common Share until June 28, 2014 at a price of \$2.25 per share. The transferable Offer Warrants are listed on the TSX under the symbol "LPK:WT". The Company allocated \$1.44 of the issue price for the issue of each common share ("Offering Price").
- (3) Number of stock options held in aggregate, directly by each director and issued under the Company's 2010 Incentive Stock Option Plan (current incentive stock option plan approved by the Shareholders on September 20, 2010 (the "2010 Option Plan").
- (4) This amount includes 91,500 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. Includes 12,500 Offer Warrants held by Mr. Graf's spouse.
- (6) Number of Common Shares held by Poncho Wilcox Engineering Inc., a company in which Mr. Keevil owns a 50% interest.
- (7) Number of Common Shares held by L.E. Management Ltd., a company wholly-owned by Mr. Silbernagel.

As of March 11, 2014, the directors of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 13,220,880 Common Shares or approximately 15.65% 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](http://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](http://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, 2013 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 subsidiaries of the Company: <ul style="list-style-type: none"><li>• Lupaka Gold Peru S.A.C. ("<b>LGP</b>", formerly known as Minera Pacacorral S.A.C);</li><li>• Invicta Mining Corp. ("<b>Invicta Mining</b>").</li></ul>

### **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: African Gold Group Inc., Aldridge Minerals Inc., AndeanGold Ltd., Azumah Resources Limited, Batero Gold Corp., Bayfield Ventures Corp., Brazilian Gold Corp., Coastal Gold Corp., Colt Resources Inc., Dalradian Resources Inc., Dynasty Metals & Mining Inc., Eagle Hill Exploration Corp., Eastmain Resources Inc., Geologix Explorations Inc., Golden Reign Resources Ltd., Goldgroup Mining Inc., Goldquest Mining Corp., Goldrock Mines Corp., Kimber Resources Inc., Magellan Minerals Ltd., Mawson Resources Ltd., Mediterranean Resources Ltd., Metanor Resources Inc., Minera IRL, Orezone Gold Corp., Oromin Explorations Ltd., Peruvian Precious Metals Corp., Riverside Resources Inc., Robex Resources Inc., Rye Patch Gold Corp., Sandspring Resources Ltd., Scorpio Gold Corp., Seafield Resources Ltd., Solitario Exploration and Royalty Corp., Spanish Mountain Gold Ltd., Sunridge Gold Corp., Sutter Gold Mining Inc., Temex Resources Corp., Terraco Gold Corp., Treasury Metals Inc., TriStar Gold, Inc., Tyhee Gold Corp., Victoria Gold Corp., Volta Resources Inc., West High Yield Resources Ltd. and Williams Creek Gold Limited.

### 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 to the Board, which the Board approved on November 7, 2013.

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 7, 2013 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

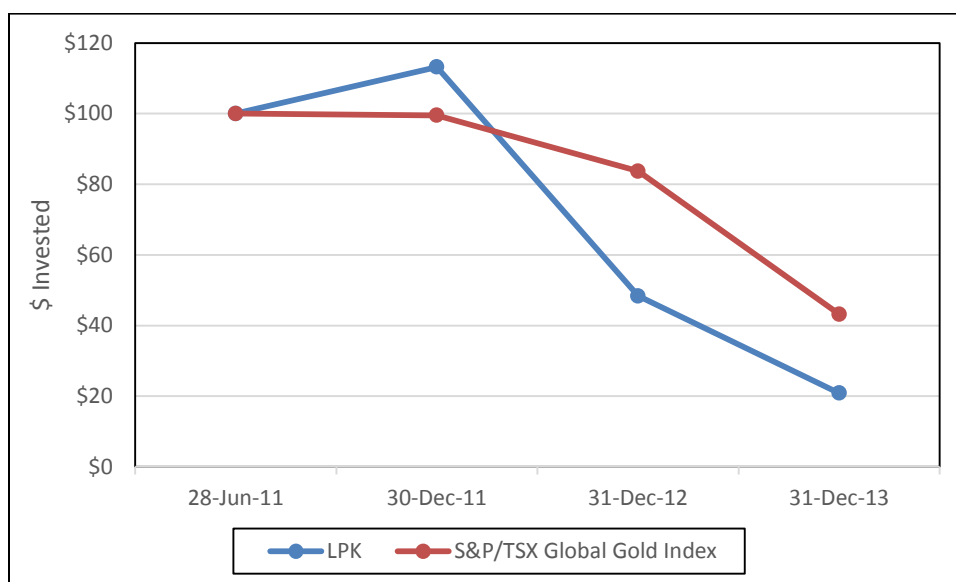
The Company does not have a pension plan.

## 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, 2013, is provided below.



The Company operates in a commodity business and the Common Share price is directly impacted by conditions, such as the 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, 2013, 2012 and 2011:

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Eric H. Edwards, <sup>(3)</sup> President, Chief Executive Officer	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
	2011	175,000 <sup>(4)</sup>	N/A	246,467	Nil	Nil	N/A	Nil	421,467
Darryl F. Jones, <sup>(5)</sup> Chief Financial Officer	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
	2011	136,236 <sup>(6)</sup>	N/A	97,693	Nil	Nil	N/A	Nil	233,929
Julio F. Castañeda, <sup>(7)</sup> President	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) Between January 1, 2011 and the IPO Date, Mr. Edwards' then accrued salary was paid by issuing 55,707 Common Shares at the Offering Price.
- (5) Mr. Jones was appointed Chief Financial Officer in October 2010.
- (6) Between October 1, 2010 and the IPO Date, Mr. Jones' then accrued salary was paid by issuing 64,133 Common Shares at the Offering Price.
- (7) Mr. Castañeda was appointed President of LGP and Invicta Mining Corp. SAC ("Invicta Mining") in April, 2013.



### Share Option Values and Assumptions

	<b>Values and Assumptions</b>				
Grant Date	Nov. 7, 2013	May 16, 2013	Feb. 1, 2013	Nov. 8, 2012	Nov. 9, 2011
Expiry Date	Nov. 7, 2018	May 16, 2018	Feb. 1, 2018	Nov. 8, 2017	Nov. 9, 2016
Number of options granted	1,785,000	165,000	250,000	1,790,000	1,222,000
Share Price at Grant Date <sup>(1)</sup>	\$0.24	\$0.315	\$0.40	\$0.45	\$1.17
Exercise Price	\$0.24	\$0.315	\$0.40	\$0.45	\$1.21
Expected Volatility (weighted average volatility)	91%	90%	103%	107%	121%
Option life (expected weighted average life)	3.3 years	3.5 years	3.7 years	3.9 years	3.7 years
Expected Dividends	0.0%	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (based on government bonds)	1.3%	1.2%	1.4%	1.2%	1.1%
Resulting fair value at grant date	257,119	\$31,374	\$68,256	\$574,487	\$1,073,926

**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, 2013. 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 <sup>(1)</sup> (\$)	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	0.24	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	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	0.24	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, 2013, being \$0.19 and the exercise price of the option.

### **Incentive Plan Awards -Value Vested Or Earned During The Year Ended December 31, 2013 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.

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$) <sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$) <sup>(1)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$) <sup>(1)</sup></b>
Eric H. Edwards President, Chief Executive Officer	8,337 <sup>(2)</sup> 30,916 <sup>(3)</sup> 9,334 <sup>(4)</sup>	N/A	N/A
Darryl F. Jones, Chief Financial Officer	7,579 <sup>(2)</sup> 28,106 <sup>(3)</sup> 6,626 <sup>(4)</sup>	N/A	N/A
Julio F. Castañeda, President	7,579 <sup>(2)</sup> 58,692 <sup>(5)</sup>	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 7, 2018 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 8, 2017 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 9, 2016 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, 2013, the Company had the following Management and Consulting Agreements with its NEOs:

<b>Agreement</b>	<b>Terms of Agreement</b>
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.
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.
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, 2013.

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	60,000 <sup>(1)</sup>	Nil	13,915 <sup>(2)</sup>	35,000 <sup>(1)</sup>	N/A	Nil	108,915
John K. Graf, Director	Nil	Nil	15,307 <sup>(2)</sup>	N/A	N/A	Nil	15,307
Norman B. Keevil, Director	Nil	Nil	15,307 <sup>(2)</sup>	N/A	N/A	Nil	15,307
Stephen H. Silbernagel, Director	Nil	Nil	15,307 <sup>(2)</sup>	N/A	N/A	Nil	15,307
Hernan F. Barreto, Director	Nil	Nil	15,307 <sup>(2)</sup> 10,283 <sup>(3)</sup>	N/A	N/A	Nil	25,590
Jaime A. Pinto, Director	Nil	Nil	15,307 <sup>(2)</sup> 10,283 <sup>(3)</sup>	N/A	N/A	Nil	25,590
Luquman A. Shaheen, Director	Nil	Nil	15,307 <sup>(2)</sup> 10,283 <sup>(3)</sup>	N/A	N/A	Nil	25,590

**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 7, 2013, 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) This amount represents the fair value at the time of grant on May 16, 2013, 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.

### *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, 2013. 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 <sup>(1)</sup> (\$)	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	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	0.24	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	0.24	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	0.24	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, Director	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	0.24	November 7, 2018	Nil	Nil	Nil
	55,000	0.315	May 13, 2018	Nil	Nil	Nil
Luquman A. Shaheen, Director	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, 2013, being \$0.19 and the exercise price of the option.

**Incentive Plan Awards -Value Vested Or Earned During The Year Ended December 31, 2013 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 (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gordon L. Ellis, Executive Chairman, Director	5,052 <sup>(2)</sup> 18,737 <sup>(3)</sup> 6,626 <sup>(4)</sup>	N/A	N/A
John K. Graf, Director	5,558 <sup>(2)</sup> 20,611 <sup>(3)</sup> 1,383 <sup>(4)</sup>	N/A	N/A
Norman B. Keevil, Director	5,558 <sup>(2)</sup> 20,611 <sup>(3)</sup> 1,383 <sup>(4)</sup>	N/A	N/A

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen H. Silbernagel, Director	5,558 <sup>(2)</sup> 20,611 <sup>(3)</sup> 1,383 <sup>(4)</sup>	N/A	N/A
Hernan F. Barreto, Director	5,558 <sup>(2)</sup> 7,729 <sup>(5)</sup>	N/A	N/A
Jaime A. Pinto, Director	5,558 <sup>(2)</sup> 7,729 <sup>(5)</sup>	N/A	N/A
Luquman A. Shaheen, Director	5,558 <sup>(2)</sup> 7,729 <sup>(5)</sup>	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 7, 2018 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 8, 2017 which vest as to 25% on day of grant and 25% each six-month period thereafter.
- (4) This amount reflects options expiring on November 9, 2016 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 with Gordann Consultants for Gordon Ellis to perform services as a senior officer of the Company and has been renewed for a fourth term to expire on January 31, 2015, 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. The consulting services agreement provides that Gordann Consultants will receive a consulting fee of \$5,000 per month. Up to January 31, 2013, Gordann Consultants was entitled to receive a cash bonus equal to 50% of the yearly bonus granted to the Chief Executive Officer. Gordann Consultants’ contract has since been renewed on the same terms and conditions, except for an amendment to the bonus which 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.

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, 2013. 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, 2013 to May 10, 2014	\$14,500	\$5,000,000 each loss, annual aggregate.
May 10, 2012 to May 10, 2013	\$17,250	\$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 its directors, officers, employees and consultants of the Company or its subsidiaries (the "Optionees"). The 2010 Option Plan was approved by the Shareholders on September 20, 2010 and requires Shareholder approval every three years. See "Particulars of Matters to be Acted Upon" below regarding the re-approval of the 2010 Option Plan.

The following table sets forth as at the year ended December 31, 2013 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	8,439,350	\$0.86	10,161
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>8,439,350</b>	<b>\$0.86</b>	<b>10,161</b>

Note:

As at December 31, 2013, there were 8,439,350 options issued and outstanding under the 2010 Option Plan, representing 10% of the Company's issued and outstanding capital as of December 31, 2013.

### 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.

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 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 prior to the effective date on which the option is granted.
4. The options may not be exercisable for less than one year and may not be exercisable for 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. 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. Except where not permitted by the TSX, 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 directors, officers, employees and consultants of the Company or its subsidiaries as the Board shall from time to time determine 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 90th 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 by the Optionee.

There were 7,992,350 options issued and outstanding under the 2010 Option Plan representing 9.5% of the Company's issued and outstanding Common Shares, as at March 11, 2014.

Based upon the Company's issued and outstanding Common Shares and the number of outstanding stock options as at March 11, 2014, the Company can issue stock options exercisable to purchase an additional 457,161 Common Shares under the 2010 Option Plan, representing 0.5% of the Company's issued and outstanding share capital as at March 11, 2014. 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) 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) any adjustments in event of change in structure of capital/change of control;
- (g) 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;
- (h) 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
- (i) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable laws.

Pursuant to the policies of the TSX, Shareholder approval is required 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 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 related parties during the fiscal year ended December 31, 2013, and all related party transactions are detailed in the Company's Management Discussion & Analysis for the year ended December 31, 2013, which has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

- (a) Gordon L. Ellis, the founder, promoter, a director and an officer of the Company, is a director and 51% shareholder of Gordann Consultants. Gordann Consultants owns 100% of ABE Industries, and ABE Industries owns a 60% interest in K-Rok Minerals. Through his majority ownership of Gordann Consultants, Mr. Ellis controls ABE Industries and K-Rok Minerals. Mr. Ellis is also a director of K-Rok Minerals and a director of ABE Industries. K-Rok Minerals currently owns 6,743,341 Common Shares. The Company entered into an Assignment and Assumption Agreement dated July 26, 2010, as amended, with K-Rok Minerals. Under the terms of the Assignment and Assumption Agreement, and based on the results of the February 2013 resource update, Lupaka issued 3,221,127 Common Shares to K-Rok Minerals as provided for in the Assignment and Assumption Agreement and in December 2013, 477,786 of these shares were returned to the Company's treasury as a result of a revision of the related resource estimate. The Company has no further payment obligations to K-Rok Minerals.
- (b) 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 \$60,000 and cash bonus of \$35,000 plus HST during the fiscal year ended December 31, 2013 to Gordann Consultants. As at December 31, 2013 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

### ***Re-Approval of the 2010 Option Plan***

The 2010 Option Plan was approved by the Shareholders on September 20, 2010. 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 11, 2014 there were options outstanding to purchase an aggregate of 7,992,350 Common Shares, representing approximately 9.5% of the current issued and outstanding Common Shares.

The policies of the TSX require that the 2010 Option Plan be submitted to Shareholders for re-approval every three years.

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 will be available for viewing at the Meeting and a copy of the 2010 Option Plan will be mailed free of charge to any Shareholder who requests a copy from the Company.

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 2010 Option Plan is hereby re-approved;
2. all unallocated options under the 2010 Option Plan be and are hereby approved;
3. the Company has the ability to continue granting options under the 2010 Option Plan until May 16, 2017, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. 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 2010 Option Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the re-approval of the 2010 Option Plan.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the SEDAR website at [www.sedar.com](http://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](http://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](mailto: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 11, 2014**

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. The following describes the Company's current corporate governance practices.

Corporate Governance Disclosure Requirement	Comments
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	The independent directors of the Company are: Hernan F. Barreto, John K. Graf, Norman B. Keevil, Jaime A. Pinto, Luquman A. Shaheen and Stephen H. Silbernagel.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Eric H. Edwards is not independent as he is the President and Chief Executive Officer of the Company. Gordon L. Ellis is not independent as he is the Executive Chairman of the Company. Each of the above has or had a material relationship with the Company within the past three years.
(c) Disclose whether or not a majority of directors are independent.	A majority of the directors of the Company are independent (six out of eight).
(d) If a director is presently a director of any other Issuer that is a reporting Issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other Issuer.	Directorships of the directors of the Company are set out in the table below under the heading " <i>Other Directorships</i> ".
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the Issuer's most recently completed financial year.	The Company's independent directors schedule an in-camera session, without management present, at the end of each regularly scheduled Board or Committee meeting. During 2013, in-camera sessions were held at six of the regularly scheduled Board meetings, all four Audit Committee meetings, each of the four Compensation Committee meetings and both Governance & Nominating Committee meetings.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	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.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the Issuer's most recently completed financial year.	The attendance of each director at all Board and committee meetings held since January 1, 2013 is set out in the table below under the heading " <i>Attendance of Directors at Board and Committee Meetings</i> ".
<b>2. Board Mandate</b>	
Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities	The Board has adopted a written mandate. The text of the Board's Mandate is attached as Schedule "B" and was approved by the Board on December 6, 2012.

Corporate Governance Disclosure Requirement	Comments
<b>3. Position Descriptions</b>	
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The Board has developed a written position description for the chair of the Board. 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.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The Board and CEO have developed a written position description for the CEO. The Compensation Committee is responsible for the review and approval of the corporate objectives that the CEO is responsible for meeting, as well as the assessment of the CEO's performance against these objectives.</p>
<b>4. Orientation and Continuing Education</b>	
<p>(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the Issuer's business.</p>	<p>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. They also meet with the directors and senior management of the Company to learn of the functions and activities of the Company. On an ongoing basis, presentations are made to the Board on various aspects of the Company's operations. Directors can also access financial information, management and engage technical experts and consultants.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Board members are encouraged to communicate with Management, the auditors and legal counsel. Charters for each committee mandate the committees to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records. Directors attend conferences and seminars relevant to their particular expertise.</p>
<b>5. Ethical Business Conduct</b>	
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees.</p>	<p>The Company has adopted a written Code of Conduct (the "Code") for its directors, officers and employees.</p>
<p>(i) disclose how a person or Corporation may obtain a copy of the code;</p>	<p>A copy of the Code may be obtained by written request to the Company's offices located at #428 – 800 Pender St West, Vancouver, B.C., V6C 2V6 or can be viewed either on the Company's website at <a href="http://www.lupakagold.com">www.lupakagold.com</a> or on SEDAR at <a href="http://www.sedar.com">www.sedar.com</a>.</p>

Corporate Governance Disclosure Requirement	Comments
<b>5. Ethical Business Conduct (Continued)</b>	
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	The Board has instructed management to bring any breaches of the Code to the attention of the Audit Committee and the Board. Management and employees may report breaches in the Code confidentially and anonymously 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 requires each officer and director to certify their agreement and compliance with the Code on an annual basis. As a condition of employment, employees must sign an acknowledgement that they have received a copy of the Code, read the Code and agree to abide by the terms of the Code.
(iii) provide a cross-reference to any material change report filed since the beginning of the Issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	No material change report has been filed that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	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.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	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. Such reporting can be made by email or in writing. Complaints are received by the Chair of the Audit Committee who investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Complaints may also be made internally. The Board has also adopted the Company's disclosure policy that covers the accurate and timely communication of all material information. This policy is reviewed on a regular basis.
<b>6. Nominations of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	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 also responsible for identifying required competencies, skills, time commitment and resources of potential directors and to maintain a diversity of view, skills and experience.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	Members of the Governance and Nominating Committee are all independent.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Governance and Nominating Committee has the responsibility of, among other things: (i) annually reviewing the composition and needs of the Board (ii) recommending to the Board, on an annual basis, nominees for election and re-election as directors for the next annual general meeting of shareholders and nominees to each of the committees for appointment by the Board (iii) when vacancies arise on the Board and committees, recommending nominees who meet such needs.

Corporate Governance Disclosure Requirement	Comments
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the Issuer's directors and officers.	On August 16, 2012, the Compensation Committee formalized its compensation policies and practices and adopted the Compensation Philosophy and Guidelines. On November 7, 2013, the Company's Compensation Committee reviewed and recommended changes to the Compensation Philosophy and Guidelines which was approved by the Board on November 7, 2013. The Compensation Committee reviews directors' compensation annually and makes recommendations to the Board. The Compensation Committee also makes compensation recommendations to the Board as to each executive's compensation. In making its compensation recommendations, 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 includes a comparison with the Benchmark Companies, keeping in mind the Compensation Committees philosophy to pay lower base salaries and higher incentive pay (cash bonuses and option awards), which provides the general context of the Compensation Committee's short-term and long-term considerations. The Benchmark Companies are determined by screening and selecting publicly-traded companies in the same industry, with a similar stage of development or size of operations, and suitable range in market capitalization.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	The Board has a Compensation Committee comprised entirely of independent directors.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Compensation Committee has the responsibility of reviewing (i) the Company's compensation program each year for safeguards designed to mitigate compensation risks, (ii) the Company's compensation philosophy and guidelines, (iii) determining and recommending directors, executives and management compensation to the Board, and (iv) benefit and compensation plans.
<b>8. Other Board Committees</b>	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Company has no additional standing committees of the Board.
<b>9. Assessments</b>	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	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 and in addition review and assess their performance using a written questionnaire, including compliance with its role and responsibilities as set out in its charter.

**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 <sup>(1) (2)</sup>
Eric H. Edwards	Sunridge Gold Corp. <sup>(3)</sup> Coventry Resources Inc. <sup>(3)</sup>
Norman B. Keevil	Teck Resources Limited <sup>(1) (4)</sup>
Luquman A. Shaheen	Panoro Minerals Ltd. <sup>(3)</sup>

**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 TSXV.
- (4) Listed on the TSX.

**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, 2013 to December 31, 2013.

Summary of Board and Committee Meetings Held				
	Board Meetings	Audit Committee Meetings <sup>(1)</sup>	Compensation Committee Meetings <sup>(2)</sup>	Governance & Nominating Committee Meetings <sup>(3)</sup>
Meetings Held	8	4	4	2
Summary of Board and Committee Meetings Attended				
Directors	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	Governance & Nominating Committee Meetings
Gordon L. Ellis	8/8	N/A	N/A	N/A
Eric H. Edwards	8/8	N/A	N/A	N/A
Hernan F. Barreto <sup>(5)</sup>	2/4	1/2	N/A	N/A
John K. Graf	8/8	4/4	4/4	1/1
Norman B. Keevil	8/8	N/A	4/4	2/2
Jaime A. Pinto <sup>(5)</sup>	4/4	N/A	N/A	1/1
Luquman Shaheen <sup>(5)</sup>	4/4	N/A	N/A	1/1
Stephen H. Silbernagel	8/8	4/4	4/4	N/A
Paulo J. Bilezikjian <sup>(4)</sup>	0/4	N/A	N/A	N/A
David Rae <sup>(4)</sup>	3/4	N/A	N/A	N/A
Patrick D. Soares <sup>(4)</sup>	3/4	2/2	N/A	1/1

**Notes:**

- (1) The Audit Committee meets at least four times annually, or more frequently as circumstances dictate. As of December 31, 2013 the Audit Committee is comprised of John K. Graf (Chairman), Hernan F. Barreto 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), John K. Graf 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. Bilezikjian, Mr. Rae and Mr. Soares did not stand for re-election at the annual general meeting held on May 16, 2013.
- (5) Mr. Barreto, Mr. Pinto and Mr. Shaheen were elected as directors of the Company at the annual general meeting held on May 16, 2013.

## 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 disclosure 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 minimize 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 28<sup>th</sup> of November, 2012.

Approved by the Board of Directors on the 6<sup>th</sup> day of December 2012.

