



**ANNUAL AND GENERAL MEETING
TO BE HELD ON JULY 24, 2014**

**NOTICE OF ANNUAL AND GENERAL MEETING
AND
INFORMATION CIRCULAR**

JUNE 19, 2014

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VVC EXPLORATION CORPORATION

Suite 501, 121 Richmond Street West, Toronto, Ontario, Canada, M5H 2K1
Facsimile: (416) 861-0749 | Telephone: (416) 368-9411

NOTICE OF ANNUAL AND GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of shareholders of VVC EXPLORATION CORPORATION (“**VVC**” or the “**Company**”) will be held on Thursday, July 24, 2014 at 10:00 a.m. (Montreal Time) at the Marriott Fairfield Inn & Suites – Montréal Airport, Toscana II Room, 700 Michel Jasmin Avenue, Dorval, Québec, H9P 1C5

The purposes of the Meeting are:

- a) To receive and consider the financial statements of the Company for the fiscal year ended January 31, 2014, together with the auditors’ report thereon;
- b) To elect directors of the Company for the ensuing year;
- c) To appoint MNP LLP, Chartered Accountants, as auditors of the Company for the ensuing year and authorize the directors to fix their remuneration;
- d) To consider and, if deemed advisable, pass a resolution approving and ratifying, subject to regulatory approval, the Company’s currently implemented stock option plan for the financial year to end on January 31, 2014, as more particularly set out in the section of the Circular entitled “Particulars of Other Matters to be Acted Upon”; and
- e) To transact such other business as may properly be brought before the Meeting.

The record date for determination of the shareholders entitled to receive notice of and to vote at the Meeting is June 19, 2014 (the “**Record Date**”).

Shareholders are entitled to vote at the Meeting in person or by proxy. Only the shareholders whose names have been entered in the registers of the Company as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

Whether or not you intend to attend the Meeting, please vote your common shares of VVC (your “**Shares**”) by proxy, using the enclosed form of proxy or via the website indicated on same, as more particularly set out in the section of the Circular entitled “Voting Process – Registered Shareholders”. Proxies may also be deposited with the scrutineer at the Meeting, following the instructions set out in the Circular.

Voting rights attached to the Shares represented by a proxy in the enclosed form or submitted online will be voted in accordance with the instructions indicated thereon. **If no instructions are given, the voting rights attached to such Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the following matters: (i) the election of the proposed directors, (ii) the appointment of the Company’s auditors for the ensuing year and the directors’ authorization to fix their remuneration, and (iii) the approval and ratification of the Company’s current stock option plan.**

If you are a non-registered shareholder, please follow the instructions provided by your broker or other intermediary to vote your Shares (see the section of the Circular entitled “Voting Process – Non-Registered Shareholders”).

DATED at Montréal, Québec, the 19th day of June, 2014.

BY ORDER OF THE BOARD



Michel Lafrance
Secretary-Treasurer

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VVC EXPLORATION CORPORATION

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INFORMATION CIRCULAR

(as at June 19, 2014, except as otherwise indicated)

The Company is providing this Circular as well as a form of proxy (the “**Proxy Form**”) in connection with management’s solicitation of proxies for use at the Meeting of the Company to be held on July 24, 2014 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the costs of solicitation.

1. VOTING PROCESS – REGISTERED SHAREHOLDERS

1.1 Appointment of Proxies

The persons named in the Proxy Form are officers and/or directors of the Company (the “**Management Proxyholders**”). A registered shareholder can appoint a person other than Management Proxyholders, who need not be a shareholder, to represent him or her at the Meeting by inserting such person’s name in the blank space provided in the Proxy Form or by completing another form of proxy.

A registered shareholder appointing a proxyholder may indicate the manner in which the appointed proxyholder can vote with respect to any specific item by checking the space opposite the item on the proxy. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item should be left blank. The Shares represented by the proxy submitted by a shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the proxy.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholders will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

1.2 Voting Shares by Proxy

Registered shareholders at the close of business on the Record Date may vote their proxies as follows:

Internet voting: Go to the website indicated on the Proxy Form (www.investorvote.com) and follow the instructions on the screen. To appoint a proxyholder, other than Management Proxyholders, to represent you at the Meeting, insert such person’s name in the blank space provided on the online Proxy Form. Then complete your voting instructions and submit the form. The time and date submitted will automatically be recorded.

Voting by mail or facsimile: Complete the Proxy Form either manually or by typewriter. To appoint a proxyholder, other than Management Proxyholders, to represent you at the Meeting, insert such person’s name in the blank space provided on the Proxy Form. Complete your voting instructions by checking the appropriate boxes on the Proxy Form, and date and sign the form. You may either send the completed Proxy Form to Computershare Investor Services Inc. (attention: Proxy Department) by mail or by facsimile. Do not send by both methods. The address is 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, and the facsimile number is 1.866.249.7775.

Voting by telephone: Call 1-866-732-8683 (toll-free) to vote your proxy and follow the instructions provided (NOBO shareholders should call 1-866-734-8683 to vote their VIF). The time and date of submission will automatically be recorded.

1.3 Deadline for Receipt of Proxies

The deadline for receiving duly completed and executed forms of proxy or submitting your proxy by facsimile or over the Internet is by 10:00 p.m. (Toronto time) on July 22, 2014, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. A registered shareholder attending the Meeting has the right to vote in person, but he must, before the start of the Meeting, register with the scrutineer of the Meeting. If he had previously submitted a Proxy Form, he must specifically request that his proxy be nullified

with respect to the matters and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment or postponement thereof, thereby permitting him to vote in person. Notwithstanding the foregoing, the Chair of the Meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so.

1.4 Revocation of Proxies

A proxy submitted pursuant to this solicitation may be revoked in any manner permitted by law and by written notice, signed by the shareholder or by the shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney), and deposited with the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used.

A proxy submitted pursuant to this solicitation may also be revoked prior to the commencement of voting by attending the Meeting in person, registering with the scrutineer as a registered shareholder personally present and requesting that the proxy be nullified.

A revocation of proxy does not affect any matter on which a vote has been taken before the revocation.

1.5 Exercise of Discretion by Proxies

The persons named in the enclosed Proxy Form 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, the relevant Shares will be voted in favour of the passing of all the resolutions described in the Notice of Meeting.

The enclosed Proxy Form confers discretionary authority on the persons named in the proxy 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 amendments or variations to 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 proxyholder.

2. VOTING PROCESS – NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the non-registered shareholder. Without specific instructions, a broker and its agents or nominees are prohibited from voting the Shares for the broker's clients. Therefore, non-registered shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person or that the Shares are duly registered in their name.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from non-registered shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own forms and voting instructions to clients, which should be carefully followed by non-registered shareholders in order to ensure that their Shares are voted at the Meeting. Shares beneficially owned by a non-registered shareholder are registered either:

- (a) in the name of an intermediary that the non-registered shareholder deals with in respect of the Shares of the Company (intermediaries include, amongst others, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. in Canada or The Depository Trust & Clearing Corporation in the United States) of which the intermediary is a participant.

Unless you have previously informed your intermediary/broker that you do not wish to receive material relating to the Meeting, you should have received a form of proxy or a Voting Instruction Form ("**VIF**"). In either case you have the right to exercise voting rights attached to the Company's Shares beneficially owned by you, including the right to

attend and vote the Shares directly at the Meeting, assuming that you follow the instructions contained in the said form of proxy or VIF.

The documents that you receive and from whom you receive them will vary depending upon whether you are a “non-objecting beneficial owner” (“**NOBO**”), which means you have provided instructions to your intermediary that you do not object to the disclosure of the beneficial ownership information about you to the Company, or an “objecting beneficial owner” (“**OBO**”), which means that you have objected to the disclosure of such beneficial ownership information to the Company.

2.1 **NOBO Shareholders**

Computershare is handling the mailing to NOBO shareholders in addition to the mailing to the registered shareholders. All NOBO shareholders of the Company will receive a VIF from Computershare.

If you are a NOBO shareholder of the Company, and Computershare has sent a VIF directly to you, your name and address and information about your holdings of Shares of the Company have been obtained in accordance with applicable securities regulatory requirements from the intermediary/broker holding Shares on your behalf. By choosing to send the VIF to you directly, the Company has assumed responsibility for (i) delivering the VIF to you, and (ii) executing your proper voting instructions.

Therefore a NOBO shareholder of the Company can vote the Shares represented by his VIF in a similar manner as registered shareholders. The process to vote a VIF or to appoint a proxyholder are the same as that described under Section 1, except that:

- (a) the form received by him is a VIF instead of a Proxy Form; and
- (b) the NOBO shareholder cannot attend the Meeting to vote in person, unless, at least 48 hours before the Meeting, he appoints himself as a proxyholder according to the instructions provided on the VIF, and registers with the scrutineer upon arriving at the Meeting.

2.2 **OBO Shareholders**

In accordance with applicable securities law requirements, the Company will have distributed copies of the meeting materials to the clearing agencies and intermediaries for distribution to OBO shareholders and other non-registered shareholders who are not NOBO shareholders (herein after referred to as the “**non-registered shareholders**”). Intermediaries are required to forward the meeting materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them.

Intermediaries often use service companies to forward the meeting materials to non-registered shareholders. Generally, non-registered shareholders who have not waived the right to receive meeting materials will either:

- (a) be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the non-registered shareholder and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. Typically, this VIF will consist of a one-page pre-printed form; or
- (b) be given a Proxy Form which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the OBO shareholder but which is otherwise not completed by the intermediary. Because the intermediary has already signed the Proxy Form, the signature of the OBO shareholder is not required when submitting the Proxy Form.

In either case, the purpose of these procedures is to permit non-registered shareholders to direct the voting of the Shares of the Company that they beneficially own. Since only registered shareholders and their proxyholders may attend and vote at the Meeting, if a non-registered shareholder attends the Meeting, the Company will have no record of the non-registered shareholder's shareholding or of his, her or its entitlement to vote unless the non-registered shareholder's nominee has appointed the non-registered shareholder as proxyholder. Therefore, a non-registered shareholder who receives one of the above forms and wishes to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered shareholder) should insert the non-registered shareholder's name or such other person's name in the blank space provided, and depending on the design of the VIF, may need to strike out the names of the Management Proxyholders listed therein. The voting instructions given to the non-registered shareholder may provide for voting by telephone, on the Internet, by mail or by facsimile. In

either case, non-registered shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the Proxy Form or VIF is to be delivered.

A non-registered shareholder who has submitted a proxy may revoke it by contacting the intermediary through which the non-registered shareholder's Shares are held and following the instructions of the intermediary respecting the revocation of proxies. This procedure should be initiated sufficiently in advance of the Meeting to ensure there is sufficient time to implement your instructions.

In all cases it is important that the Proxy Form or VIF be received by the intermediary or its agent sufficiently in advance of the deadline set forth in the Notice of Meeting to enable the intermediary or its agent to provide voting instructions on your behalf before the deadline.

Failing to follow the proper voting instructions described in the VIF may invalidate your vote and/or not allow you to attend and vote in person at the Meeting.

3. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value, of which 169,466,581 shares are issued and outstanding. Each common shareholder is entitled to one vote for each share held. Persons who are registered shareholders at the close of business on June 19, 2014 will be entitled to receive notice of and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all shares of the Company.

4. ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed Proxy Form will be voted for the nominees herein listed. The Company is required to have an audit committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows: Current member of the Audit Committee.

<i>Name, jurisdiction of residence and position</i>	<i>Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years</i>	<i>Previous service as a director</i>	<i>Number of common shares beneficially owned, directly or indirectly, or controlled or directed⁽²⁾</i>
James A. Culver Nashville, TN, USA President, CEO & Director	President and CEO of the Company since June 13, 2011; President of Camex Mining Development Group Inc. between October of 2011 and September of 2012; President of TPG Commercial Finance since May 2005.	Since May 2011	1,316,500 ⁽³⁾
Peter M. Dimmell ⁽¹⁾ St. John's, NL, Canada Director	Self-employed Consulting Geologist since 1992; BSc – University of NB; P. Geo – NL, ON, QC; Fellow of Geoscientists Canada (FGC); Past President of the Prospectors and Developers Association of Canada; Director of Pele Mountain Resources Inc. since 1996; Director of Silver Spruce Resources since 1999 and President since June 2011.	Since Aug. 2004	200,000

Name, jurisdiction of residence and position	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Previous service as a director	Number of common shares beneficially owned, directly or indirectly, or controlled or directed⁽²⁾
Bruno Dumais ⁽¹⁾ Beaconsfield, QC, Canada Director	Vice President, Finance, for BroadSign International, a Montreal-based provider of digital signage solutions since 2013; Chief Financial Officer for Niocan Inc. (TSX: NIO) since 2013. Consultant to Mitec Telecom Inc.; Vice-President, Finance and Chief Financial Officer of Mitec Telecom Inc. from 2006 to 2012.	Since Sept. 2012	100,000
Patrick Fernet Pointe-Claire, QC, Canada Vice-President, Legal & Corporate Affairs/Director	Solicitor, sole practitioner since January 2001; CEO and Secretary of GFK Resources Inc. (formerly Noise Media Inc.) since January 2008.	Since May 2004	1,097,654
Michel J. Lafrance Scarborough, ON, Canada Secretary-Treasurer & Director	Secretary-Treasurer of the Company since December 2002; Secretary of OPEL Technologies Inc. (formerly OPEL Solar International Inc., OPEL International Inc. and Tandem Resources Ltd.) since 1986.	Since July 2006	1,155,250 ⁽⁴⁾
Dr. Terrence F. Martell ⁽¹⁾ New York, NY, USA Director	Saxe Distinguished Professor of Finance at the Zicklin School of Business, Baruch College, City University of New York from August 2008 to May 2012; Director, Weissman Center for International Business.	Since July 2012	1,216,000

(1) Current member of the Audit Committee

(2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 25, 2013, based upon information either furnished to the Company by individual directors and/or taken from the SEDI public records. Unless otherwise indicated, such shares are held directly.

(3) 656,500 of these shares are held by TPG Commercial Inc., a company wholly owned by Mr. Culver.

(4) Includes shares held in RRSP accounts, by spouse and/or by children.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of a company (including the Company) that, while that person was acting in that capacity:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO 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; or
 - (ii) was subject to 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, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of a 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; or

- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the 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.

Notwithstanding the disclosure above, some of the directors of the the Company were subject to Management Cease Trading Orders (singularly "MCTO"):

- Messrs. Dimmell, Fernet and Lafrance were subject to a MCTO imposed by the Ontario Securities Commission on June 4th, 2007. The Company requested the MCTO because of problems encountered in the preparation of the Company's audited financial statements for the year ended January 31st, 2007, as disclosed in its news release of May 31st, 2007. The MCTO was rescinded on December 27th, 2007 after the Company brought all its regulatory filings up-to-date. The MCTO affected trading only by the Insiders of the Company.
- Mr. Dumais was an Officer of Mitec Telecom Inc. ("Mitec") when, on September 15, 2010, Mitec applied for and was granted a MCTO, as provided for in National Policy 12-203, from the Autorité des Marchés Financiers (AMF), Mitec's lead regulator. Mitec's MCTO was rescinded on September 29, 2010, after Mitec filed its financial statements on SEDAR. The MCTO affected trading only by the Insiders of Mitec.

The following directors and/or nominees for directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Peter M. Dimmell	Pele Mountain Resources Inc. and Silver Spruce Resources Inc.
Patrick Fernet	GFK Resources Inc.
Dr. Terrence Martell	Intercontinental Exchange (NYSE)

5. EXECUTIVE COMPENSATION

5.1 Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to the Company's senior officers during the fiscal year ended January 31, 2014.

5.2 Description and Explanation of Elements of Compensation Program

- (a) The objectives of the Company's executive compensation program are:
 - (i) to attract, retain and motivate quality executives;
 - (ii) to align the interests of executives with those of the Company's shareholders;
 - (iii) to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions; and
 - (iv) to evaluate financial performance on the basis of consolidated sales which the Company believes to be consistent with long-term shareholder value.
- (b) The executive compensation program has been designed to reward executives for:
 - (i) the reinforcement of the Company's business objectives and values;
 - (ii) the achievement of the Company's sales growth objectives; and
 - (iii) their individual performance.

- (c) The executive compensation program consists of the following elements: base earnings, variable pay compensation and stock option incentives.
- (d) In addition to his fixed base earnings, each officer is eligible to receive variable pay compensation or bonus meant to motivate him to achieve short-term goals. Additionally, the variable pay compensation plan is a retention tool, used to help maintain a low executive attrition. Awards under this plan are made annually and may be by way of cash payments and/or stock options. Stock options are also generally awarded to officers at the time of hire and are used as a recruitment tool to attract highly qualified and experienced executives to the Company. As the Company is still in the exploration stage, it must conserve its limited financial resources and control costs to ensure that funds are available when needed to complete its scheduled programs. As a result, the Board has to consider not only the financial situation of the Company at the time of the determination of the compensation but also the estimated financial situation in the mid and long term. An important element of the compensation is the stock options, which do not require cash disbursement from the Company. Also the granting of stock options aligns officers' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each officer's compensation with increases in the Company's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Compensation Program Element – The Board reviews and makes determinations with respect to senior officer compensation on an ad hoc basis. When determining senior officer's compensation, the Board reviews the performance of senior officers as evaluated by the CEO based on their achievements during the preceding year.

Base Earnings – The base earnings for officers, including those of the President and CEO, are reviewed annually by the Board. The base earnings determination of each officer takes into consideration the current competitive market conditions, experience, proven and/or expected performance, and the particular skills of the officer and the time demands of the office served.

Currently, the Company pays base earnings amounts to its officers which it believes are modest and below current market rates. In light of this, a number of stock options are used to reward officers.

Variable Pay Compensation – Currently the Company does not include any variable pay compensation in its officers total compensation packages.

Stock Options – The Board makes the following determinations:

- (i) it selects officers and other persons who are entitled to participate in the Company's stock option plan (the "**Stock Option Plan**");
- (ii) it determines the number of options granted to such individuals; and
- (iii) it determines the date on which each option is granted and the corresponding exercise price.

The Board makes these determinations subject to the provisions of the existing Stock Option Plan. Gains from prior option grants are not considered when determining the amount of the current grants.

- (e) Each element of the compensation program has been designed to meet one or more objectives of the overall executive compensation plan. The fixed base earnings of each officer, combined with the variable pay compensation, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions. In addition, the variable pay compensation has been designed to align the interests of executives with those of the Company's shareholders and to evaluate financial performance on the basis of consolidated sales. Option grants are designed to align executives' and shareholders' interests and to provide longer term compensation incentives.

Neither the Board or a Committee of the Board has considered the implications of the risks associated with the Company's compensation policies and practices.

The Company has not approved any policy that would restrict the officers or directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly, by the officers or directors, so long as such purchase is permissible under applicable securities laws, rules, regulations and policies.

5.3 Review and Approval

The Board is responsible for approving and reviewing the remuneration of executives of the Company, including the President and Chief Executive Officer of the Company, senior officers and senior management of the Company.

5.4 Share-Based and Option-Based Awards

The Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the “TSXV”), and closely align the interests of the executive officers with the interests of shareholders.

5.5 Compensation Governance

The Board is in the process of establishing a Compensation Committee to assist in fulfilling its oversight responsibilities with respect to human resources matters. No compensation consultant or advisor was, at any time since the start of the Company’s most recently completed financial year, retained to assist the Board in determining compensation for any director or officer.

5.6 Summary Compensation Table

The following table, presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) of National Instrument 51-102, sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executive officers of the Company as at January 31, 2013 (collectively referred to as the “**Named Executive Officers**” or “**NEOs**”).

NEO Name and Principal Position	Year ⁽¹⁾	Earnings (3no all of) (CA\$)	Share-Based Awards (CA\$)	Option-Based Awards ⁽²⁾		Non-Equity Incentive Plan Compensation (CA\$)		Pension Value (CA\$)	All Other Compensation (CA\$)	Total Compensation (CA\$)
				No. of Shares	(CA\$)	Annual Incentive Plans	Long-Term Incentive Plans			
James A. Culver ⁽⁴⁾ CEO & President	2014	90,000	17,500	1,100,000	57,882	Nil	Nil	Nil	18,000	183,382
	2013	76,040	N/A	Nil	Nil	Nil	Nil	Nil	Nil	76,040
	2012	71,864	N/A	350,000	61,660	Nil	Nil	Nil	Nil	133,524
Kevin Barnes CFO	2014	36,000	6,250	500,000	26,310	Nil	Nil	Nil	Nil	68,560
	2013	30,750	N/A	Nil	Nil	Nil	Nil	Nil	Nil	30,750
	2012	36,000	N/A	100,000	17,617	Nil	Nil	Nil	Nil	53,617
Patrick Fernet ⁽⁴⁾ Vice-President, Legal Services	2014	28,000	11,250	400,000	21,048	Nil	Nil	Nil	Nil	60,298
	2013	72,500	N/A	Nil	Nil	Nil	Nil	Nil	Nil	72,500
	2012	55,000	N/A	150,000	26,426	Nil	Nil	Nil	Nil	81,426
Michel Lafrance ⁽⁴⁾ Secretary-Treasurer	2014	48,000	11,250	750,000	39,465	Nil	Nil	Nil	Nil	98,715
	2013	57,000	N/A	Nil	Nil	Nil	Nil	Nil	Nil	57,000
	2012	72,000	N/A	150,000	26,426	Nil	Nil	Nil	Nil	98,426

(1) Years 2014, 2013 & 2012 refers to the financial years ended January 31, 2014, January 31, 2013 and January 31, 2012 respectively.

(2) The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each calculation for 2013, 2012 and 2011: risk-free interest rate of 1.66%, 1.99% and 2.069% respectively, dividend yield of 0%, expected volatility of 114.98%, 105% and 72.81% respectively and weighted average estimated life of 6.8 and 5 years respectively. The Company chose this methodology because it is the industry standard.

(3) The amounts disclosed herein also include accruals for year, which has yet been fully paid.

(4) Also served as a director of the Company, but receives no additional compensation for services as a director.

5.7 Incentive Plan Awards

(a) Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth, with respect to each Named Executive Officer, information concerning all awards outstanding under the Stock Option Plan of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name	Option-Based Awards				Share-Based Awards		
	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (CA\$)	Option Expiration Date	Value of Unexercised In-The Money Options ⁽¹⁾ (CA\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (CA\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (CA\$)
James A. Culver CEO & President	1,100,000	0.065	20-Jan-2019	Nil	N/A	N/A	N/A
	350,000	0.20	20-Oct-2021	Nil	N/A	N/A	N/A
	100,000	0.30	10-Nov-2014	Nil	N/A	N/A	N/A
Kevin Barnes CFO	500,000	0.065	20-Jan-2019	Nil	N/A	N/A	N/A
	100,000	0.20	20-Oct-2021	Nil	N/A	N/A	N/A
	25,000	0.28	25-Mar-2014	Nil	N/A	N/A	N/A
Patrick Fernet VP Legal Affairs	400,000	0.065	20-Jan-2019	Nil	N/A	N/A	N/A
	150,000	0.20	20-Oct-2021	Nil	N/A	N/A	N/A
	50,000	0.30	10-Nov-2014	Nil	N/A	N/A	N/A
	50,000	0.28	25-Mar-2014	Nil	N/A	N/A	N/A
Michel Lafrance Secretary-Treasurer	750,000	0.065	20-Jan-2019	Nil	N/A	N/A	N/A
	150,000	0.20	20-Oct-2021	Nil	N/A	N/A	N/A
	100,000	0.28	25-Mar-2014	Nil	N/A	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the financial year (\$0.10 on January 31, 2013) and the exercise or base price of the option.

(b) Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers:

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (CA\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (CA\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (CA\$)
James A. Culver	Nil	N/A	N/A
Kevin Barnes	Nil	N/A	N/A
Patrick Fernet	Nil	N/A	N/A
Michel Lafrance	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. For the NEOs to have realized this value, they would have had to exercise their options and sell the shares on the day of vesting. None of these options were exercised.

(2) This amount is the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

(c) Narrative Discussion

The particulars of the Company's Stock Option Plan are disclosed under Section 12 of this Circular. Options generally vest over 18 months: 25% on the day of grant and 25% every six months. The exercise price for options is the closing price of the common shares of the Company as of the last trading day prior to the date of grant of the options.

As at January 31, 2014, the number of outstanding options granted under the Stock Option Plan was 9,775,000. For more information, refer to Note 9 "Stock Options" in the Company's audited financial statements for the financial year ended January 31, 2014. The criteria for determining awards are described under Section 5.2 of this Circular.

The particulars of the Company's non-equity incentive plan for compensation to the NEOs along with the criteria for determining awards are described under Section 5.2 of this Circular.

5.8 Pension Plan Benefits

The Company does not have any pension plans.

5.9 Termination and Change of Control Benefits

The Company does not have employment contracts with the NEOs at this time.

5.10 Compensation of Directors

(i) Director Compensation Table

The following table sets forth, for the Company's most recently completed financial year, all amounts of compensation provided to the directors who are not also Named Executive Officers:

<i>Director Name⁽¹⁾</i>	<i>Fees Earned (CA\$)</i>	<i>Share- Based Awards (CA\$)</i>	<i>Option- Based Awards (CA\$)</i>	<i>Non-Equity Incentive Plan Compensation (CA\$)</i>	<i>Pension Value (CA\$)</i>	<i>All Other Compensation (CA\$)</i>	<i>Total (CA\$)</i>
Peter Dimmell	Nil	10,000	39,465	N/A	N/A	N/A	Nil
Bruno Dumais	Nil	5,000	26,310	N/A	N/A	N/A	Nil
Terrence F. Martell	Nil	10,000	52,620	N/A	N/A	N/A	Nil

(1) Relevant disclosure has been provided in the Summary Compensation Table above with respect to directors who receive compensation for their services as directors and who are also Named Executive Officers.

(ii) Narrative Discussion

Directors are not remunerated in cash for their services as directors and their committee participation, except the past Chairman of the Audit Committee who was paid \$5,000 per year. The directors are reimbursed for their actual out-of-pocket expenses incurred in carrying out their duties. Director's involvement in special assignments or services as consultant or expert will be negotiated on a case-by-case basis.

The directors participate in the Company's Stock Option Plan for the granting of incentive stock options to the officers, employees and directors, which plan is described under Section 12 of this Circular. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

(iii) Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth, with respect to each director who is not also a Named Executive Officer, information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options⁽¹⁾ (\$)</i>	<i>Number of Shares or Units of Shares That Have Not Vested</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (\$)</i>
Peter Dimmell	750,000	0.065	20-Jan-2019	Nil	N/A	N/A
	250,000	0.20	20-Oct-2021	Nil	N/A	N/A
	25,000	0.30	10-Nov-2014	Nil	N/A	N/A
Bruno Dumais	500,000	0.065	20-Jan-2019	Nil	N/A	N/A
Terrence F. Martell	1,000,000	0.065	20-Jan-2019	Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market values of the securities underlying the options at the end of the financial year (\$0.055 on January 31, 2014) and the exercise or base price of the option.

(iv) Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the most recently completed financial year of incentive plan awards granted to directors who are not also Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards – Value Vested During The Year⁽¹⁾ (\$)</i>	<i>Share-Based Awards – Value Vested During The Year⁽²⁾ (\$)</i>	<i>Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)</i>
Peter Dimmell	Nil	N/A	N/A
Bruno Dumais	Nil	N/A	N/A
Terrence F. Martell	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. For the directors to have realized this value, they would have had to exercise their options and sell the shares on the day of vesting. None of these options were exercised.

(2) This amount is the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

(v) Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year:

<i>Plan category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i>	<i>Number of securities remaining available for future issuance under equity compensation</i>
<i>Equity compensation plans approved by securityholders (10% rolling stock option plan of the Company)</i>	9,775,000	0.0755	7,171,658
<i>Equity compensation plans not approved by securityholders</i>	Nil	N/A	Nil
<i>Total</i>	9,775,000	0.0755	7,171,658

6. INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As at June 19, 2014, there is no indebtedness of any current or former director, executive officer or employee of the Company or any subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which 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, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (a) is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (b) has, or at any time since the beginning of the most recently completed financial year has had, indebtedness to another entity which is or was 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;

in relation to a securities purchase program or other program.

7. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors, except as generally disclosed in this Circular or otherwise particularly described in the disclosure for a matter to be acted upon.

8. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, "**informed person**" means: (a) a director or executive officer of the Company, (b) a director or executive officer of a person that is itself an informed person or subsidiary of the Company, (c) any person who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person as underwriter in the course of a distribution, and (d) the Company, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries, except as generally disclosed in this Circular or otherwise particularly described in the disclosure for a matter to be acted upon.

9. APPOINTMENT OF AUDITORS

MNP LLP (formerly MSCM LLP), Chartered Accountants, of Toronto, Ontario, are the auditors of the Company. On June 1, 2013, MSCM LLP amalgamated with MNP LLP.

At the Meeting, shareholders will be asked to re-appoint MNP LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

Unless otherwise instructed, the proxies given pursuant to this Circular will be voted for the re-appointment of MNP LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

10. MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree other than by the directors or executive officers of the Company or subsidiary.

11. CORPORATE GOVERNANCE DISCLOSURE

A summary of the responsibilities, activities and membership of each of the committees is set out below.

National Instrument 58-101 (“**NI 58-101**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices, which disclosure is set out below.

11.1 Independence of Members of Board

The Company’s current Board consists of six directors, three of whom are independent based upon the tests for independence set forth in Multilateral Instrument 52-110. Terrence F. Martell, Bruno Dumais and Peter Dimmell are independent. James Culver is not independent as he is the President and CEO of the Company. Patrick Fernet and Michel Lafrance are not independent as they are respectively Vice-President and Secretary-Treasury of the Company.

11.2 Management Supervision by Board

The CEO, CFO and Secretary-Treasurer do not generally report upon the operations of the Company separately to the independent directors of the Board, but report concurrently to all of the directors from time to time throughout the year as is considered necessary or advisable by the directors. The members of the Audit Committee, which is composed of independent directors, meet with the Company’s auditors and the CFO and other accounting personnel as may be required. The Board considers that management is effectively supervised, as the Board is actively and regularly involved in reviewing the operations of the Company, and has regular and full access to management. Independent supervision of management is accomplished through: choosing management who demonstrate a high level of integrity, competence and technical ability, and having strong independent Board members who are prepared to voice their opinion and recommend change when necessary. The independent directors are able to meet at any time without any members of management including the non-independent directors being present if they so desire. Further supervision is performed through the Audit Committee, which is composed of independent directors who meet with the Company’s auditors at least once per year and as often as necessary, and may sometimes, if needed, request management to withdraw from the meeting.

11.3 Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under Section 4 of this Circular.

11.4 Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- (a) information respecting the functioning of the Board, committees and copies of the Company’s corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company’s internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) advice to consult on the Internet the TSXV policy relating to Corporate Governance and applicable regulations and policies and also the applicable securities laws, rules and regulations.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

11.5 Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. However, the Board has not adopted a formal Code of Conduct but has instructed its management and employees to always act in the best interest of shareholders and abide by the rules and policies of the TSXV and/or the laws and regulations of the applicable securities commissions in Canada.

11.6 Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board as well as representatives of the mining and exploration industry may be consulted for possible candidates.

11.7 Compensation of Directors and the CEO

On June 28, 2013, the Board of Directors established a Compensation Committee (the "CC") to be responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation. The CC also reviews and recommends incentive stock option awards under the Company's Stock Option Plan. The current members of the CC are Terrence Martell, Bruno Dumais and Peter Dimmell.

The Compensation Committee discusses and makes recommendations to the Board for approval or disapproval of all compensation issues that pertain to the Company. The compensation programs of the Company are designed to reward performance and to be competitive with the compensation agreements of other comparable semiconductor companies. The Compensation Committee is responsible for evaluating the compensation of the senior management of the Company and assuring that they are compensated effectively in a manner consistent with the Company's business, stage of development, financial condition and prospects, and the competitive environment. Specifically, the Compensation Committee is responsible for: (i) reviewing the compensation practices and policies of the Company to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value; (ii) overseeing the administration of the Company's compensation programs, and reviewing and approving the employees who receive compensation and the nature of the compensation provided under such programs, and ensuring that all management compensation programs are linked to meaningful and measurable performance targets; (iii) making recommendations to the Board regarding the adoption, amendment or termination of compensation programs and the approval of the adoption, amendment and termination of compensation programs of the Company, including for greater certainty, ensuring that if any equity-based compensation plan is subject to shareholder approval, and that such approval is sought; (iv) periodically surveying the executive compensation practices of other comparable companies; (v) establishing and ensuring the satisfaction of performance goals for performance-based compensation; (vi) annually reviewing and approving the annual base salary and bonus targets for the senior executives of the Company, other than the Chief Executive Officer (the "CEO"); (vii) reviewing and approving annual corporate goals and objectives for the CEO and evaluating the CEO's performance against such goals and objectives; (viii) annually reviewing and approving, based on the Compensation Committee's evaluation of the CEO, the CEO's annual base salary, the CEO's bonus, and any stock option grants and other awards to the CEO under the Company's compensation programs (in determining the CEO's compensation, the Compensation Committee will consider the Company's performance and relative shareholder return, the compensation of CEOs at other companies, and the CEO's compensation in past years); and (ix) review the annual report on executive compensation required to be prepared under applicable corporate and securities legislation and regulation including the disclosure concerning members of the Compensation Committee and settling the reports required to be made by the Compensation Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.

11.8 Board Committees

At this time, the Company only has an Audit Committee and a Compensation Committee. The Board is considering forming other committees to oversee the operations of the Company and report to the Board on a regular basis and will at that time adopt written charters that set forth the responsibilities of such committees.

11.9 Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development, except for informal annual assessments of the Board's effectiveness and the individual directors.

11.10 Audit Committee

(a) Charter of the Audit Committee

The current Audit Committee Charter is attached hereto as Appendix "A".

(b) Composition of the Audit Committee

The following are the members of the Committee:

Name	Independent / Not independent⁽¹⁾	Financially literate / Not Financially literate⁽¹⁾
Bruno Dumais	Independent	Financially literate
Peter M. Dimmell	Independent	Financially literate
Terrence Martell	Independent	Financially literate

(1) As defined by National Instrument 52-110 ("NI 52-110").

(c) Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities are as follows:

- (i) Bruno Dumais has been a Chartered Professional Accountant since 1989. He holds a Bachelor in Business Administration from Université du Québec à Rimouski (UQAR) and an International MBA from University of Ottawa. He is a consultant of Mitec Telecom Inc., for which he acted as Vice-President, Finance and Chief Financial Officer from October 2006 to December 2012. In that capacity, he was responsible for leading all of the financial activities.
- (ii) Peter M. Dimmell holds a Bachelor of Science (Geology) from University of New Brunswick. He has been in the mineral exploration business since 1969 and has been involved with junior public companies since 1996. He has served on the Audit Committee of several listed companies over the years.
- (iii) Terrence F. Martell, Ph. D, is professor of Finance. Previously to his current position, was a senior executive of the Commodity Exchange in New York (Comex) and is an expert in metals trading and options and derivatives. In addition, he is an experienced Board member, serving on the board of ICE Clear US (Intercontinental Exchange Clearing) and on its Audit Committee.

All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

(d) Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

(e) Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

(f) Pre-Approval Policies and Procedures

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

(g) External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors for each of the last three fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
January 31, 2014	\$	\$	\$	\$
January 31, 2013	\$38,000	\$2,280	Nil	Nil

11.11 Nomination and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

11.12 Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

12. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

12.1 Approval and Ratification of Stock Option Plan

In June of 2009, the Board implemented the Stock Option Plan, which was approved by the TSXV and the Company's shareholders. The number of common shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan is a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding common shares on a yearly basis, or 2% if the optionee is engaged in investor relations activities or is a consultant. Pursuant to a TSXV policy, a rolling stock option plan which sets the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares of an issuer must be approved and ratified by the shareholders on an annual basis.

The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with those of the shareholders. Options will be exercisable over periods of up to 5 years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's common shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company or its subsidiaries, or employees of companies providing management or consulting services to the Company or its subsidiaries. The Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Stock Option Plan provides that if a change of control, as defined therein, occurs, all shares subject to an option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Stock Option Plan is available for review at <www.vvcexpl.com> or can be requested without charge from the Secretary of the Company.

Accordingly, at the Meeting, the Company's shareholders will be asked to consider and, if deemed advisable, approve the following resolution:

"IT IS HEREBY RESOLVED, as an ordinary resolution, that:

the Company approve and ratify, subject to regulatory approval, the stock option plan of the Company for the upcoming year until the next annual shareholders meeting, pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant, with a maximum of 5% of the issued and outstanding common shares being reserved to any one person on a yearly basis."

Unless the shareholder has specified in the enclosed Proxy Form or a proxy submitted online that the shares represented by such proxy are to be voted against the foregoing resolution, the person(s) named in the proxy will vote FOR the said resolution.

13. ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at <www.sedar.com>. Shareholders may contact the Company at 501, 121 Richmond Street West, Toronto, Ontario, M5H 2K1 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which are filed on SEDAR.

14. OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 19th day of June, 2014.

APPROVED BY THE BOARD



James A. Culver, C.E.O.

APPENDIX “A”

THE AUDIT COMMITTEE CHARTER

Mandate

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

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