



**McLAREN RESOURCES INC.**

**NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON APRIL 11, 2019**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

## **McLAREN RESOURCES INC.**

### **NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual and General Meeting (the “Meeting”) of the shareholders of **McLAREN RESOURCES INC.** (the “Corporation”) will be held on Thursday, April 11, 2019 at 11:00 a.m. (Toronto time), Suite 1301, 44 Victoria St., Toronto, ON M5C 1Y2, for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the fiscal year ended September 30, 2018 together with the auditors’ report thereon;
2. to appoint the auditors of the Corporation and authorize the Directors to fix their remuneration;
3. to elect Directors for the ensuing year; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting, which is supplemental to and expressly made a part of this Notice of Meeting.

Shareholders of record as of the close of business on March 12, 2019 will be entitled to vote at the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it in the envelope provided for that purpose.

**DATED** at the City of Toronto, in the Province of Ontario, on the 12<sup>th</sup> day of March, 2019.

By Order of the Board of Directors

“Nadim Wakeam”

SECRETARY

**HOLDERS OF COMMON SHARES WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE KINDLY REQUESTED TO SPECIFY ON THE ENCLOSED FORM OF PROXY THE MANNER IN WHICH THE SHARES REPRESENTED THEREBY ARE TO BE VOTED AND TO DATE, SIGN AND RETURN THE SAME IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.**

# McLAREN RESOURCES INC.

## MANAGEMENT INFORMATION CIRCULAR ANNUAL AND GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 11, 2019

This information is given as of March 12, 2019 unless otherwise noted.

### SOLICITATION OF PROXIES

**This Management Information Circular is furnished in connection with the solicitation of proxies by the management of McLAREN RESOURCES INC., (the “Corporation”)** for use at the Annual and General Meeting of Shareholders (the “Meeting”) of the Corporation to be held at Suite 1301, 25 Adelaide St. E, Toronto, ON M5C 3A1 at 11:00 a.m. (Eastern Time) on Thursday, April 11, 2019 for the purposes set out in the Notice of Meeting, and at any adjournment or adjournments thereof.

Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation’s transfer agent and registrar, Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1 or at the registered office of the Corporation at Suite 1616, 44 Victoria Street, Toronto, Ontario M5C 1Y2, in time for use at the Meeting. An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail; however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed proxy instrument shall represent management at the Meeting. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person’s name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument addressed to the Secretary of the Corporation at the address set forth above, or to the Secretary or Chairman of the Meeting at the time of the Meeting.**

A shareholder who has given a proxy instrument may revoke it:

- (a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation, or
- (b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting, or
- (c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument, or
- (d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 110(4) of the *Business Corporations Act* (Ontario) (the “Act”) by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy

instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

### EXERCISE OF DISCRETION BY PROXIES

The common shares represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED in favour of each matter identified in the form of proxy to be voted upon at the Meeting.**

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgement of the person voting the Proxy.

### NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the “**Meeting Materials**”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have 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 voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

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

None of the Directors or Senior Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors, the matters set out under the heading "*Particulars of Other Matters to be Acted Upon*", and as otherwise disclosed herein.

#### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding as of the date hereof 54,975,511 fully paid and non-assessable common shares of the Corporation. Each common share carries the right to one (1) vote per share. Each holder of outstanding common shares of record at the time of the close of business on March 12, 2019 (the "**record date**") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of common shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his common shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the satisfaction of the Corporation that he owns such shares in which case the transferee is entitled to vote his common shares at the Meeting.

As of the record date, to the knowledge of the Directors and Officers of the Corporation, there are no shareholders who beneficially own directly or indirectly or exercise control or direction over more than 10% of the common shares of the Corporation other than the following:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage Outstanding Shares of the Corporation
Accilent Capital Management Inc., Toronto, Ontario	record and beneficially	9,684,000	18.5%

## STATEMENT OF EXECUTIVE COMPENSATION

### Definitions

In this section:

“CEO” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (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 as determined in accordance with subsection 1.3(6) of form 51-102F6, for that financial year; 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.

The Company currently has the following NEOs: John Heslop, Radovan Danilovsky and David McDonald

### Compensation Discussion and Analysis

The Corporation’s Board of Directors is responsible for the compensation program for the Corporation’s NEOs.

The compensation program’s objectives are:

- (a) to attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future mineral exploration assets, thereby creating shareholder value; and
- (b) to provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation’s NEOs consists of the following:

- (a) a base salary (for certain NEOs); and
- (b) long term incentive in the form of incentive stock options.



- (1) Mr. McDonald began as CFO on January 23, 2011 until he resigned as CFO on January 31, 2015 and was replaced by Mr. Meredith as interim CFO. On April 18, 2017, Mr. McDonald was reinstated as a CFO of the Corporation.
- (2) Mr. Heslop began as Executive Chairman on April 18, 2017 replacing Mr. Michael Meredith
- (3) Mr. Danilovsky became President of the Corporation on January 11, 2018, previously serving as an Interim President from April 18 2017.
- (4) Mr. Meredith resigned as Executive Chairman on April 18, 2017

### **Narrative Discussion**

The Corporation has a verbal agreement with John Heslop, Executive Chairman, for payment of \$7,500 per quarter during fiscal 2018.

The Corporation has a verbal agreement with David McDonald as Chief Financial Officer of the Corporation, terminable on one month's notice and providing for payment of up to \$4,000 per quarter during fiscal 2018.

The Corporation has a verbal agreement with Radovan Danilovsky as Interim President of the Corporation, terminable on one month's notice and providing for payment of up to \$4,000 per month during fiscal 2018.

### **Outstanding Share-based awards and option-based awards**

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Corporation's financial year ended September 30, 2018, including awards granted before this most recently completed financial year:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John Heslop Executive Chairman <sup>(1)</sup>	250,000	0.125	Feb. 22, 2022	0	N/A	N/A
Radovan Danilovsky President <sup>(2)</sup>	200,000	0.125	Feb. 22, 2022	0	N/A	N/A
David McDonald CFO <sup>(3)</sup>	100,000	0.125	Feb. 22, 2022	0	N/A	N/A

- (1) All options are for common shares of the Corporation.
- (2) Mr. Danilovsky became Interim President of the Corporation on April 18, 2017. On January 11, 2018, Mr. Danilovsky became a President of the corporation.
- (3) Mr. McDonald began as CFO on January 23, 2011 and resigned on January 31, 2015 and was reinstated on April 18, 2017.
- (4) Mr. Heslop began as Executive Chairman on April 18, 2017.



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

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended September 30, 2018.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(3)</sup> (\$)
John Heslop, Executive Chairman <sup>(4)</sup>	0	N/A	N/A
Radovan Danilovsky, President <sup>(4)</sup>	0	N/A	N/A
David McDonald CFO <sup>(4)</sup>	0	N/A	N/A

- (1) Mr. Heslop began as Executive Chairman on April 18, 2017.
- (2) Mr. Danilovsky became President of the Corporation on January 11, 2018, previously serving as an Interim President from April 18 2017.
- (3) Mr. McDonald began as CFO on January 23, 2011 and resigned on January 31, 2015 and was reinstated on April 18, 2017.
- (4) As of the fiscal year-end. September 30, 2018 the share price closed at \$0.045 per share.

**Narrative discussion**

There were no re-privings of stock options under the Plan or otherwise during the Corporation’s completed financial year ended September 30, 2018. 100,000 options were exercised and 300,000 options were cancelled during the fiscal year ended 2018. The total number of options to purchase common shares that were outstanding at September 30, 2018 were 2,375,000.

**Pension Plan Benefits**

The Corporation has no pension plans that provide for payments or benefits to any NEO at, following, or in connection with, retirement.

The Corporation also does not have any deferred compensation plans relating to any NEO.

**Termination and Change of Control Benefits**

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

The Corporation does not have any plan or arrangement with respect to compensation to its executive officers, which would result from the resignation, retirement or any other termination of employment of the executive

officers' employment with the Corporation and its subsidiaries or which would result from a change of control of the Corporation or a change in the executive officers' responsibilities following a change in control.

**Director Compensation**

The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. At the Corporation's completed financial year ended September 30, 2018, the Directors of McLaren held the following options.

<b>Name</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>
John Holko	175,000	0.125	February 22, 2022
John Heslop	250,000	0.125	February 22, 2022
Paul Crath	200,000	0.125	February 22, 2022
Michael Meredith	200,000	0.125	February 22, 2022
Andrew Ramcharan	200,000	0.125	May 16, 2022

**Director Share-Based Awards, Option Based Awards, and Non-Equity Incentive Plan Compensation**

The following table discloses all amounts of compensation provided by the Corporation to its directors who are not NEOs for the financial year ended September 30, 2018:

<b>Name</b>	<b>Option Based Awards</b>				<b>Share-based Awards</b>	
	<b>Number of Securities underlying unexercised options</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (\$)</b>	<b>Number of Shares or units that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>
John Holko	175,000	0.125	February 22, 2022	0	N/A	N/A
Paul Crath	200,000	0.125	February 22, 2022	0	N/A	N/A
Michael Meredith	200,000	0.125	February 22, 2022	0	N/A	N/A
John Heslop	250,000	0.125	February 22, 2022	0	N/A	N/A
Andrew Ramcharan	200,000	0.125	May 16, 2022	0	N/A	N/A

Directors of the Corporation received no directors' fees in cash during the fiscal year ended September 30, 2018, and the directors received \$Nil in compensation in the form of common shares in 2018. No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement including through the granting of stock options under the Corporation's Stock Option

Plan (the “**Plan**”). No options were granted during the fiscal year ended September 30, 2018. All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Corporation.

Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, details of the Corporation’s compensation plans under which equity securities of the Corporation were authorized for issuance at the end of the Corporation’s most recently completed fiscal year.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan</b>
Equity compensation plans previously approved by security holders	2,375,000	\$0.125	2,922,551 <sup>(a)</sup>
Equity compensation plans not previously approved by security holders	N/A	N/A	N/A
<b>Total</b>	2,375,000	\$0.125	2,922,551 <sup>(a)</sup>

<sup>(a)</sup> As of the date of this Information Circular there are shares remaining available for future issuance under the Equity Compensation Plan.

### **Stock Option Plan**

The Corporation has in place a Stock Option Plan (the “**Plan**”) for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation.

A summary of the material aspects of the Plan is as follows:

1. the Plan will be administered by the Corporation's Board of Directors or, if the Board so designates, Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is set at 10% of the issued and outstanding common shares of the Corporation;
3. following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 30 days;

4. an option granted under the Plan will terminate six months following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Corporation (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
6. options may not be granted at prices that are less than the market price of the securities at the time the option is granted;
7. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals;
8. In the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Corporation's current Plan is provided in Schedule "A" attached hereto.

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

None of the directors or senior officers of the Corporation or any associates or affiliates of the Corporation are or have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

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

To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Corporation, or any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution.

#### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Corporation are generally performed by directors and senior officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

## **AUDIT COMMITTEE**

### **Relationship with Auditors**

Multilateral Instrument 52-110 of the *Canadian Securities Administrators* (“**MI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Management Information Circular certain information relating to the Corporation’s Audit Committee and its relationship with the Corporation’s independent auditors.

### **Audit Committee Charter**

The Audit Committee Charter is annexed hereto as Schedule “B”.

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

The Corporation’s Audit Committee is currently comprised of two (3) members: John Heslop, John Holko and Paul Crath. As defined in MI 52-110, Mr. Crath and John Holko are independent and Mr. Heslop is not independent. All of the members of the Audit Committee are “financially literate” as defined in MI 52-110.

### **Relevant Education and Experience**

Mr. Crath has over 20 years experience as a merchant banking and mergers and acquisitions executive, financier, business development, legal and strategic advisor to family investors, chief executive officers, boards and owners of growing companies and fund management companies. In such role Mr. Crath acts as a Senior Managing Consultant to Accilent Capital Management Inc. and is a non-executive director of Nebu Resources Inc. (TSXV: NBU). He is the President and Chief Executive Officer and Director of Highvista Gold Inc (TSXV; HVV) and is a director of Marquest Asset Management Inc, a private asset management and fund company. Mr. Crath was appointed President & CEO of Highvista Gold Inc., a public company focused in the natural resources sector. He is also a principal and Managing Director of Tarra Partners Inc., a merchant bank that acts as investment principal and/or provides advisory services in the areas of institutional real estate, infrastructure, private equity and lending transactions. Mr. Crath is a former Vice-President and Principal of Tricaster Capital Corporation, a family investment company and merchant bank he co-founded with the Campbell family of Toronto, and a former Vice-President and Principal of Hexagram & Co., a venture management company. He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. Mr. Crath is an independent director of the Corporation for the purpose of MI 52-110.

Mr. Heslop is a professional geologist with over 40 years in the natural resource sector. Mr. Heslop held the position of Exploration Manager, Central Canada for Texasgulf Inc. from 1974 to 1982, Vice-President, Project Development for Kidd Creek Mines Ltd. from 1982 until Kidd Creek was acquired by Falconbridge Limited in 1986 and Director of Exploration for Falconbridge Limited from 1986 until 1987. From 1987 to 2016 he was President and CEO and a Director of Thundermin Resources Inc.. Since June 2016 he has been Vice Chairman of West Red Lake Gold Mines Inc.

Mr. Holko is a petroleum engineer, and the President of Lenape Resources based in Batavia, New York. Mr. Holko has over 35 years experience in the oil and gas industry. He started his career with 4 years at Halliburton Services, then moved to the engineering department at Lenape Resources where he rose to the position of manager of the Appalachian division. In 1995 Mr. Holko proceeded with a management buyout of Lenape Resources from its parent KCS Energy. Lenape is a petroleum exploration and production company which owns and operates interests in several hundred oil & gas wells in the Appalachian Basin. Mr. Holko’s experience encompasses all aspects of oil and gas well operations, including production, pipeline development, natural gas marketing and market development. He was president of the Independent Oil & Gas Association of New York from 1989-1992 and 1995-1999 and he is involved in numerous industry associations.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's board of directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year and the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or Part 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not reasonably expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

### **Pre-Approved Policies and Procedures**

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

### **Exemption**

The Corporation is relying on the exemption provided by Part 6.1 of MI 52-110 for venture issuers which allows for an exemption from Part 5 (Reporting Obligations) of MI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2 and disclosed in this Management Information Circular.

### **External Auditor Service Fees (by category)**

	<b>Year ended September 30, 2018</b>	<b>Year ended September 30, 2017</b>
	(\$)	(\$)
Audit Fees <sup>(1)</sup>	10,500	10,000
Audit Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	1,500	-
All Other Fees <sup>(4)</sup>	-	-

- Notes:
- (1) Aggregate fees billed for services provided in auditing the Corporation's annual financial statements. The 2019 audit fee will be proposed by the auditors of the Corporation and is subject to review and approval by the Audit Committee.
  - (2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.
  - (3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
  - (4) Aggregate fees billed by the auditors for products and services not included in the foregoing categories.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**A. Appointment and Remuneration of Auditors**

**Proxies received in favour of management will be voted for the approval of appointing MS Partners LLP, Chartered Accountants, as the auditors of the Corporation for the current fiscal year and authorizing the Board to fix their remuneration, unless the shareholder has specified in the proxy that his shares are to be withheld from voting on such resolution.**

**B. Election of Directors**

The Board of Directors currently consists of four (4) members. The power to determine number of directors was delegated to the Board of Directors by the shareholders of the corporation. The persons named in the accompanying form of proxy intend to vote for the election of the four (4) current nominees whose names are as follows: Paul Crath, John Heslop, John Holko and Andrew Ramcharan.

**Management does not contemplate that any of the four (4) current nominees will not be able to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected unless, prior thereto, he resigns or his office becomes vacant by death or other cause.**

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Audit Committee.

<b>Name and Position with the Corporation</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof <sup>(1)</sup></b>
JOHN HESLOP <sup>(2)</sup> <i>Executive Chairman</i> Toronto Ontario	Vice Chairman West Red Lake Gold Mines Inc., a gold exploration company	2012	450,000
PAUL CRATH <sup>(2)</sup> <i>Director</i> Toronto, Ontario	President Highvista Gold Inc., a gold exploration company.	2009	100,000
JOHN HOLKO <i>Director</i> Alexander, New York	President Lenape Resources, Inc., a hydrocarbon exploration and production company.	2007	200,000
ANDREW RAMCHARAN <i>Director</i> Toronto, Ontario	Professional Mining Engineer	2017	50,000

- (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the Directors individually.
- (2) Member of the audit committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual Meeting of the Corporation.

### **Director Biographies**

Mr. Crath has over 20 years experience as a merchant banking and mergers and acquisitions executive, financier, business development, legal and strategic advisor to family investors, chief executive officers, boards and owners of growing companies and fund management companies. In such role Mr. Crath acts as a Senior Managing Consultant to Accilent Capital Management Inc. and is a director and the Interim Chief Executive Officer of Nebu Resources Inc. (TSXV: NBU). He is the President and Chief Executive Officer and Director of Highvista Gold Inc (TSXV; HVV) and is a director of Marquest Asset Management Inc, a private asset management and fund company. He is also a principal and Managing Director of Tarra Partners Inc., a merchant bank that acts as investment principal and/or provides advisory services in the areas of institutional real estate, infrastructure, private equity and lending transactions. Until recently, Mr. Crath was a Managing Director actively involved in finance, origination and corporate development for Norvista Resources Corporation., a mining merchant bank, managing a portfolio of pro-active mining investments in various public mining companies. Mr. Crath is a former Vice-President and Principal of Tricaster Capital Corporation, a family investment company and merchant bank he co-founded with the Campbell family of Toronto, and a former Vice-President and Principal of Hexagram & Co., a venture management company. He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. Mr. Crath is an independent director of the Corporation for the purpose of MI 52-110.

Mr. Heslop is a professional geologist with over 40 years in the natural resource sector. Mr. Heslop obtained a Bachelor of Science degree (Honours Geology) from the University of Western Ontario in 1968 and a Master of Science degree (Economic Geology) from Carleton University in 1970. During the past 40 years, he has been actively involved in base metal, gold and uranium exploration throughout Canada. Mr. Heslop held the position of Exploration Manager, Central Canada for Texasgulf Inc. from 1974 to 1982, Vice-President, Project Development for Kidd Creek Mines Ltd. from 1982 until Kidd Creek was acquired by Falconbridge Limited in 1986 and Director of Exploration for Falconbridge Limited from 1986 until 1987. From 1987 until January 2016, Mr. Heslop was President and CEO and a Director of Thundermin. Mr. Heslop was a Director of the Prospectors and Developers Association of Canada (PDAC) from 1982 until 1998; he served as Vice-President from 1993 until 1995 and President in 1996 and 1997. Currently Mr. Heslop serves on the Awards Committee of the PDAC and is Chairman of the PDAC Mining Matters charitable foundation.

Mr. Holko is a petroleum engineer, and the President of Lenape Resources based in Batavia, New York. Mr. Holko has over 35 years experience in the oil and gas industry. He started his career with 4 years at Halliburton Services, then moved to the engineering department at Lenape Resources where he rose to the position of manager of the Appalachian division. In 1995 Mr. Holko proceeded with a management buyout of Lenape Resources from its parent KCS Energy. Lenape is a petroleum exploration and production company which owns and operates interests in several hundred oil & gas wells in the Appalachian Basin. Mr. Holko's experience encompasses all aspects of oil and gas well operations, including production, pipeline development, natural gas marketing and market development. He was president of the Independent Oil & Gas Association of New York from 1989-1992 and 1995-1999 and he is involved in numerous industry associations.

Dr. Ramcharan has international experience in over 200 mining project evaluations, mergers and acquisitions, and financial analysis. He worked in project start-up to production, investment banking, consultancy and corporate development. While at IAMGOLD, Dr. Ramcharan was involved in major take overs valued at over \$800M, private placements \$20M, capital finance \$800M, and divestiture of mining companies. Dr. Ramcharan led a major discovery of over one (1) million ounces of gold that is NI43-101 Complaint in Panama in 2013. While at Dynatec he worked on the Neutrino Lab. that went on to win the Physics Noble Prize in 2015. He lectured at University of Toronto in Mineral Resource and Mineral Reserve Estimation MIN301. Currently, he is a partner at a mine financing firm. He is a Licensed Professional Engineer, graduate of the Colorado School of Mines, the University of Leoben and of Harvard University's Continuing Education program. An expert on National Instrument 43-101 with his Ph.D thesis on global reporting codes. Dr. Ramcharan is also a Registered Member of The Society for Mining, Metallurgy and Exploration (SME) in USA, and Fellow of The Australasian Institute of Mining and Metallurgy.



**Unless a proxy specifies that the shares it represents should be withheld from voting in the election of directors, the proxyholders named in the accompanying proxy intend to use it to vote for the election of the above nominees as directors of the Corporation.**

### **Corporate Cease Trade Orders**

The Ontario Securities Commission issued a Cease Trade Order against the Corporation on February 19, 2009, for failure to file certain financial statements and MD&A. The cease trade order was revoked by order of the Ontario Securities Commission on December 18, 2009. The Corporation is currently up to date on all public disclosure filings. Mr. John Holko was a director at the time the Cease Trade Order was issued.

Other than as noted above, as of the date hereof, no director or officer of Corporation is, or has been within the past ten years, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of the Corporation has within the past ten years 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.

**Proxies received in favour of management will be voted for the ratification of directors' and officers' acts, unless the shareholder has specified in the proxy that his votes are to be withheld.**

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are approved by the Board and who are charged with the day-to-day management of the Corporation.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Corporation to disclose its corporate governance practices by providing in its Management Information Circular the disclosure required by Form 58-101F2. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations. N1 58-101 mandates disclosure of corporate governance practices in Form 58 101F2, which disclosure is set out below.

### **Form 58–101F2 – Corporate Governance Disclosure**

#### **Board of Directors**

The Board is currently composed of four directors, Messrs. Paul Crath, John Holko, Andrew Ramcharan, and John Heslop. All four proposed nominees are current directors of the Corporation.

Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under N1 58-101, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. “Material relationship” is defined as a relationship which could, in the view of the Corporation’s board of directors, be reasonably expected to interfere

with the exercise of a director's independent judgment. Of the four (4) proposed nominees, one (1) director, Executive Chairman, John Heslop, is deemed to be "inside" or management director and accordingly is considered not "independent". Each of the remaining three (3) proposed directors are considered by the Board to be "independent", within the meaning of N1 58-101. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### **Directorships**

In addition to the positions on the Board, the following directors also serve as directors of the following reporting issuers:

<b>Name</b>	<b>Reporting Issuer</b>
John Heslop	West Red Lake Gold Mines Inc.
Paul Crath	Highvista Gold Inc., Nebu Resources Inc.

### **Orientation and Continuing Education**

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

### **Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

### **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### **Compensation**

The directors decide as a Board the compensation for the Corporation's officers, based on industry standards and the Corporation's financial situation. The total directors' fees for the fiscal year ended September 30, 2018 were \$nil.

### **Other Board Committees**

The Audit Committee is the only standing committee of the board.

### **Assessments**

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning
- monitoring the performance of the Corporation's assets
- evaluating the principal risks and opportunities associated with the Corporation's business and overseeing the implementation of appropriate systems to manage these risks
- approving specific acquisitions and divestitures
- evaluating senior management
- overseeing the Corporation's internal control and management information systems

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Corporation's annual audited financial statements and management discussion and analysis ("**MD&A**") for the fiscal year ended September 30, 2018 are available for review under the Corporation's profile on SEDAR. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to: McLaren Resources, 1616 – 44 Victoria Street, Toronto, Ontario; or (ii) e-mail to [radovan@mclarenresources.com](mailto:radovan@mclarenresources.com).

**DATED** at Toronto, Ontario this 12<sup>th</sup> day of March, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS,**

*"John Heslop"*

John Heslop, Executive Chairman

## SCHEDULE "A"

### STOCK OPTION PLAN

#### 1. PURPOSE OF PLAN

- 1.1 The purpose of the Plan is to attract, retain and motivate persons as directors, officers, key employees and consultants of the Corporation and its Subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

#### 2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 "Board" means the board of directors of the Corporation or, if established and duly authorized to act, the Executive Committee or another Committee appointed for such purpose by the board of directors of the Corporation;
- 2.2 "Business Day" means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading and if the Corporation is not listed on any exchange, any day when the major chartered banks in Toronto are open for business;
- 2.3 "Consultant" means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or any Subsidiary has a contract for substantial services;
- 2.4 "Corporation" means McLaren Resources Inc. and includes any successor corporation thereto and any subsidiary thereof;
- 2.5 "Eligible Person" means any director, officer, employee (part-time or full-time), service provider or Consultant of the Corporation or any Subsidiary;
- 2.6 "Exchange" means the Canadian Securities Exchange and, where the context permits, any other exchange on which the Shares are or may be listed from time to time;
- 2.7 "Insider" means:
- (a) an Insider as defined under Section 1 (1) of the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary; and
  - (b) an associate as defined under Section 1 (1) of the *Securities Act* (Ontario) of any person who is an insider by virtue of (a) above;
- 2.8 "Market Price" at any date in respect of the Shares shall be the greatest closing price of such Shares on any Exchange on the last Business Day preceding the date on which the Option is approved by the Board (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of such Shares at the close of trading on such date. In the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- 2.9 "Option" means an option to purchase Shares granted under the Plan;

- 2.10 “Option Price” means the price per Share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8;
- 2.11 “Optionee” means an Eligible Person to whom an Option has been granted;
- 2.12 “Person” means an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act* (Ontario);
- 2.13 “Plan” means the McLaren Resources Inc. Stock Option Plan, as the same may be amended or varied from time to time;
- 2.14 “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- 2.15 “Shares” means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- 2.16 “Subsidiary” means any corporation which is a subsidiary as such term is defined in the *Business Corporations Act* (Ontario) (as such provision is from time to time amended, varied or re-enacted) of the Corporation.

### **3. ADMINISTRATION OF THE PLAN**

- 3.1 The Plan shall be administered in accordance with the rules and policies of the Exchange in respect of employee stock option plans by the Board. The Board shall receive recommendations of management and shall determine and designate from time to time those directors, officers, employees and Consultants of the Corporation or its Subsidiaries to whom an Option should be granted and the number of Shares, which will be optioned from time to time to any Eligible Person and the terms and conditions of the grant.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
- (a) to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and make all other determinations necessary or advisable for its administration;
  - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
  - (c) to determine which Eligible Persons are granted Options and to grant Options;
  - (d) to determine the number of Shares covered by each Option;
  - (e) to determine the Option Price;
  - (f) to determine the time or times when Options will be granted and exercisable;
  - (g) to determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and

- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options which initially shall be substantially in the form annexed hereto as Schedule "A-1".

#### **4. SHARES SUBJECT TO THE PLAN**

- 4.1 Options may be granted in respect of authorized and unissued Shares provided that, the maximum aggregate number of Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options, subject to adjustment of such number pursuant to the provisions of Section 8 hereof, shall not exceed 10% of the then issued and outstanding Shares of the Corporation. Shares in respect of which Options are not exercised shall be available for subsequent Options under the Plan. No fractional Shares may be purchased or issued under the Plan.

#### **5. ELIGIBILITY; GRANT; TERMS OF OPTIONS**

- 5.1 Options may be granted to Eligible Persons. The Corporation covenants that all employees, service providers, Consultants or individuals employed by companies providing management services to the Corporation shall be bona fide employees, service providers, Consultants or employees of such Consultants or service providers of the Corporation or its subsidiaries.
- 5.2 Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time provided and to the extent that such decisions are approved by the Board.
- 5.3 Subject to the provisions of this Plan, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option shall be exercisable exceed 5 years.
- 5.4 In the event that no specific determination is made by the Board with respect to any of the following matters, the period during which an Option shall be exercisable shall be 5 years from the date the Option is granted to the Optionee and the Options shall vest on the date of the grant save and except that Options granted to persons employed in Investor Relations Activities (as defined in the policies of the Exchange) shall vest in stages over 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any three month period from the date of grant.
- 5.5 The Option Price of Shares which are the subject of any Option shall in no circumstances be lower than the Market Price of the Shares at the date of the grant of the Option.
- 5.6 The maximum number of Shares which may be reserved for issuance to any one Optionee under this Plan or under any other Share Compensation Arrangement shall not exceed 5% of the Shares outstanding at the date of the grant (on a non-diluted basis) in any 12 month period.
- 5.7 The maximum number of Shares which may be reserved for issuance to Insiders under the Plan or under any other Share Compensation Arrangement shall be 10% of the Shares outstanding at the date of the grant (on a non-diluted basis).
- 5.8 The maximum number of Shares which may be issued to any one Insider and such Insider's associates under the Plan and any other Share Compensation Arrangement in any 12 month period shall be 5% of the Shares outstanding at the date of the issuance (on a non-diluted basis). The maximum number of Shares which may be issued to any Insiders under the Plan and any other Share Compensation Arrangement in any 12 month period shall be 10% of the Shares outstanding at the date of the issuance (on a non-diluted basis).
- 5.9 The maximum number of shares which may be reserved for issuance to persons employed in Investor Relations Activities under the Plan or under any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the Shares outstanding at the date of grant (on a non-diluted basis).

- 5.10 The maximum number of shares which may be reserved for issuance to any one person employed as a Consultant under the Plan or any other Share Compensation Arrangement shall not exceed 2% of the Shares outstanding at the date of the grant (on a non-diluted basis).
- 5.11 Any entitlement to acquire Shares granted pursuant to the Plan or any other Share Compensation Arrangement prior to the Optionee becoming an Insider shall be excluded for the purposes of the limits set out in 5.7 and 5.8 above.
- 5.12 An Option is personal to the Optionee and is non-assignable and non-transferable.
- 5.13 If required by Exchange policies, disinterested shareholder approval shall be required for any reduction in the exercise price or extension of the term of the Options if the optionholder is an Insider of the Corporation at the time of a proposed amendment to the exercise price or extension of the term.

## **6. EXERCISE OF OPTIONS**

- 6.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
- 6.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
  - (b) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange.

## **7. TERMINATION OF EMPLOYMENT: DEATH**

- 7.1 Subject to Section 7.2 and any express resolution passed by the Board with respect to an Option, an Option, and all rights to purchase pursuant thereto, shall expire and terminate 30 days after the Optionee ceasing to be a director, officer or a part-time or full-time employee or service provider of the Corporation or of any Subsidiary. The entitlement of a Consultant to Options including the termination thereof shall be in accordance with the terms of the consulting agreement entered into between the Corporation or the Subsidiary and the Consultant.
- 7.2 If, before the expiry of an Option in accordance with the terms thereof, the employment of the Optionee with the Corporation or with any Subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the Optionee at any time during the first six months following the death of the Optionee (but prior to the expiry of the Option in accordance with the terms thereof) but only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of his employment.

- 7.3 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director where the Optionee continues to be employed by the Corporation or continues to be a director of the Subsidiary or an officer of the Corporation or any Subsidiary.

## **8. CHANGE IN CONTROL AND CERTAIN ADJUSTMENTS**

- 8.1 Notwithstanding any other provision of this Plan in the event of:

- (a) the acquisition by any Person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders; or
- (b) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then notwithstanding that at the effective time of such transaction the Optionee may not be entitled to all the Shares granted by the Option, the Optionee shall be entitled to exercise the Options to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.

- 8.2 Appropriate adjustments with respect to Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders of the Corporation and to acceptance by the Exchange respectively, if applicable.

## **9. AMENDMENT OR DISCONTINUANCE**

- 9.1 The Board may amend or discontinue the Plan at any time upon receipt of requisite regulatory approval including without limitation, the approval of the Exchange, provided, however, that no such amendment may increase the maximum number of Shares that may be optioned under the Plan, change the manner of determining the minimum Option Price or, without the consent of the Optionee, alter or impair any of the terms of any Option previously granted to an Optionee under the Plan. Any amendments to the terms of an Option shall also require regulatory approval, including without limitation, the approval of the Exchange.

## **10. MISCELLANEOUS PROVISIONS**

- 10.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Corporation.
- 10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment of any Optionee beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary or beyond the



time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

- 10.3 To the extent required by law or regulatory policy or necessary to allow Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.

**11. SHAREHOLDER AND REGULATORY APPROVAL**

- 11.1 The Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation in accordance with the *Business Corporations Act*, (Ontario) and to acceptance by the Exchange, if applicable. Any Options granted prior to such approval and acceptances shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

## **SCHEDULE “B”**

### **AUDIT COMMITTEE CHARTER**

#### **1 PURPOSE**

The overall purpose of the Audit Committee (the “Committee”) of McLaren Resources Inc. (the “Corporation”) is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditor and to oversee the financial reporting process of the Corporation.

#### **2 COMPOSITION, PROCEDURES AND ORGANIZATION**

- 2.1 The Committee shall consist of at least three members (each a “Member”) of the board of directors of the Corporation (the “Board”), the majority of whom shall not be employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates (as such terms are defined in the TSX Venture Exchange Corporate Finance Manual (the “TSXV Manual”)), as amended from time to time.
- 2.2 At least 25% of the members of the Committee (the “Members”) shall be resident Canadians.
- 2.3 At least one Member shall be “independent” and “financially literate” as such terms are defined under the Securities Act (Ontario) and rules and policies promulgated thereunder, as such requirements may be amended from time to time. For reference, the terms “independent” and “financially literate” are set out in “Multilateral Instrument 52-110 Audit Committees.”
- 2.4 The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee to hold such office for the ensuing year or until their resignations or their successors are duly elected. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director shall cease to be a member of the Committee.
- 2.5 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. The chair shall be an “unrelated” director and shall not have a second, or casting, vote.
- 2.6 Complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters shall be directed to the chair of the Committee. Once received, the chair will then review them and, if appropriate, seek advice from the Corporation’s legal counsel and/or the external auditors. The chair will then present such complaints to the Committee for discussion in order to determine a course of action. If appropriate, the chair will then notify management of the Corporation to discuss a resolution of such complaints.
- 2.7 The Corporation, with the assistance of the Committee, shall provide in the Corporation’s employee handbook, if any, a policy to enable employees to submit to the chair of the Committee, on a confidential and anonymous basis, concerns regarding questionable accounting or auditing matters or shall otherwise make known to employees that concerns can be submitted to the chair of the Committee on such basis.
- 2.8 Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.

- 2.9 Meetings shall be held in accordance with the procedural rules outlined in the “Rules Governing Procedure of the Audit Committee.” In addition, meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet at least four times annually or more frequently as circumstances dictate and at such times and at such locations as the chair of the Committee shall determine;
  - (b) the Committee or at least its chair should also meet with the external auditor and management quarterly to review the Corporation’s financials in accordance with Article 3 below;
  - (c) as part of its job to foster open communication, the Committee should meet at least annually with management and the external auditor separately to discuss any matters that the Committee or either of these groups believe should be discussed privately;
  - (d) the external auditor or any member of the Committee may call a meeting of the Committee;
  - (e) the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
  - (f) the Committee may require any attendee at a meeting who is not an “unrelated” director to excuse himself or herself from any meeting.
- 2.10 The external auditor may communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.11 Compensation to members of the Committee shall be limited to directors’ fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation (other than as members of the Board and/or Board committees).
- 2.12 The Committee is authorized, at the Corporation’s expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties.

### **3 DUTIES**

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the Corporation’s accounting policies and practices, reporting practices and internal controls;
  - (b) establish and maintain a direct line of communication with the Corporation’s external auditor and assess their performance;
  - (c) oversee the work of the external auditor, which shall be responsible to report directly to the Committee, including resolution of disagreements between management and the auditor regarding financial reporting;
  - (d) ensure that management of the Corporation has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;

- (e) monitor the credibility and objectivity of the Corporation's financial reports;
- (f) report regularly to the Board on the fulfillment of the Committee's duties;
- (g) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 The duties of the Committee as they relate to the external auditor shall be to:

- (a) review management's recommendations for the appointment of external auditor, and in particular its qualifications and independence, and to recommend to the Board a firm of external auditors to be engaged;
- (b) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (c) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (d) review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (e) review and approve, in advance, the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (f) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (g) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the Corporation's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- (k) review with management and the external auditor and approve the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public; and
- (m) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior years' financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to share holders, annual information forms and management's discussion and analysis; and

- (g) oversee and review all financial information and earnings guidance provided to analysts.

3.5 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;
- (e) reviewing the funding and administration of the Corporation's compensation and pension plans;
- (f) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (g) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (h) any other questions or matters referred to it by the Board.