

CASTLE RESOURCES INC.
20 Victoria Street, Suite 800
Toronto, ON M5C 2N8

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Castle Resources Inc. (the "**Corporation**") will be held at the offices of WeirFoulds LLP, Mason Room, TD Bank Tower, 4100 – 66 Wellington Street West, Toronto, Ontario M5K 1B7, on Monday, March 31, 2014 at the hour of 10:00 in the forenoon (Toronto time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial period ended September 30, 2013, together with the auditors' report thereon;
2. to elect the directors of the Corporation;
3. to reappoint McGovern, Hurley, Cunningham LLP, Chartered Accountants, as the auditors of the Corporation to hold such office until the close of the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration;
4. to consider and, if thought advisable, approve an ordinary resolution of Shareholders approving for the ensuing year the Corporation's stock option plan (the "**Stock Option Plan**"), reserving for grant options to acquire up to a maximum of 10% of the issued and outstanding shares of the Corporation calculated at the time of each stock option grant; and
5. to transact such other business as properly may be brought before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters to be put before the Meeting as identified above are set forth in a management information circular (the "**Information Circular**") of the Corporation accompanying and forming part of this Notice.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, and National Instrument 51-102 – *Continuous Disclosure Obligations* (the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Corporation to post the Information Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a paper copy of the Information Circular. The Corporation will not use the procedure known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

Please review the Information Circular carefully and in full prior to as the Information Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Information Circular is available on the Corporation's website, at <http://www.castleresources.com/investors-agm-documents.html> and under the Corporation's SEDAR profile at www.sedar.com. Any Shareholder who wishes to receive a paper copy of the Information Circular, should contact the Corporation's transfer agent, CST Trust Company, at 1-888-433-6443 or fulfilment@canstockta.com prior to Tuesday, March 18, 2014. Shareholders may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

Registered Shareholders who are unable to attend the Meeting in person are requested to sign and return the enclosed form of proxy to the Corporation c/o CST Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: (416) 368-2502 or (866) 781-3111; email: proxy@canstockta.com) no later than 5:00 p.m. (Toronto time) on March 27, 2014.

If you are not a registered Shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

DATED at Toronto, Ontario as of the 18th day of February, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS OF
CASTLE RESOURCES INC.**

“Stephen Shefsky”

STEPHEN SHEFSKY
Executive Chairman and Director

CASTLE RESOURCES INC.
Suite 800, 20 Victoria Street, 8th Floor
Toronto, Ontario M5C 2N8

INFORMATION CIRCULAR
GENERAL PROXY INFORMATION

PURPOSE OF SOLICITATION

THIS INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CASTLE RESOURCES INC. ("CASTLE" OR THE "CORPORATION") FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF CASTLE (THE "MEETING") TO BE HELD ON MONDAY, MARCH 31, 2014, AT 10:00 AM TORONTO TIME, AT THE OFFICES OF WEIRFOULDS LLP, MASON ROOM, TD BANK TOWER, 4100 – 66 WELLINGTON STREET WEST, TORONTO, ONTARIO M5K 1B7, AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING"). Information contained herein is given as of February 18, 2014 unless otherwise specifically stated.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of Castle. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (the "**Common Shares**") pursuant to the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. The cost of any such solicitation will be borne by Castle.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF CASTLE, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF CASTLE, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, CASTLE IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF CASTLE INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.

Proxies, to be valid, must be deposited at the proxy department of the Registrar and Transfer Agent of Castle, CST Trust Company, located at P.O. Box 721, Agincourt, Ontario M1S 0A1, or faxed to (416) 368-2502 or (866) 781-3111, or scanned and emailed to proxy@caststockta.com, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

NOTICE AND ACCESS

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, and National Instrument 51-102 – *Continuous Disclosure Obligations* (the "**Notice-and-Access Provisions**") can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the issuer. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Corporation must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer's expense. This Information Circular has been posted in full on the Corporation's website at <http://www.castleresources.com/investors-agm-documents.html> and under the Corporation's SEDAR profile at www.sedar.com.

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Corporation shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Information Circular, and explain the Notice-and-Access process. The Notice of Meeting containing this information, has been delivered to Shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of non-registered Shareholders).

For the Meeting, the Corporation is using notice-and-access for both registered and non-registered shareholders. Neither registered nor non-registered shareholders will receive a paper copy of this Information Circular unless they contact the Corporation's transfer agent, CST Trust Company, after it is posted, in which case CST Trust Company will mail this Information Circular within three business days of any request provided the request is made PRIOR to the Meeting. CST Trust Company must receive your request prior to 5:00 pm, EST on March 18, 2014 to ensure you will receive paper copies in advance of the deadline to submit your vote. Shareholders can contact CST Trust Company at 1-888-433-6443 or fulfilment@canstockta.com.

As the Corporation is using the Notice-and-Access Provisions for the first time, it was required to file a notification at least 25 days prior to the Record Date indicating its intent to use the Notice-and-Access Provisions.

The Corporation will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting. In relation to the Meeting, all Shareholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Shareholder will receive a paper copy of this Information Circular from the Corporation or any intermediary unless such Shareholder specifically requests same.

Any shareholder who wishes to receive a paper copy of this Information Circular must contact the Corporation's transfer agent, CST Trust Company, by calling 1-888-433-6443 (toll free) or by email at fulfilment@canstockta.com. In order to ensure that a paper copy of this Information Circular can be delivered to a requesting shareholder in time for such shareholder to review this Information Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that a shareholder ensure their request is received no later than 5:00 p.m. (Toronto time) on March 18, 2014. All shareholders may call CST Trust Company at 1-888-433-6443 (toll-free) in order to obtain additional information about the Notice-and-Access Provisions.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF CASTLE) OTHER THAN STEPHEN SHEFSKY AND MIKE SYLVESTRE, THE MANAGEMENT DESIGNEES OF CASTLE, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of Castle, CST Trust Company, at their proxy department located at P.O. Box 721, Agincourt, Ontario M1S 0A1, faxed to (416) 368-2502 or (866) 781-3111, or scanned and emailed to proxy@caststockta.com, at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

REVOCATION OF PROXIES

A shareholder of Castle who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of Castle may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

- (a) with the proxy department of CST Trust Company, located at P.O. Box 721, Agincourt, Ontario M1S 0A1, faxed to (416) 368-2502 or (866) 781-3111, or scanned and emailed to proxy@caststockta.com, at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;
- (b) at the registered office of Castle, 20 Victoria Street, Suite 800, Toronto, Ontario, Canada, M5C 2N8, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of Castle personally attending the Meeting and voting his or her shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

The information set forth in this section is of significant importance to many shareholders of Castle, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of Castle as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of Castle. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted at such meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting the Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of such meeting.

APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "**ordinary resolution**", which a resolution is passed by a simple majority (50% plus 1) of the votes cast by Shareholders of the Corporation entitled to vote and present in person or represented by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Castle is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof 201,632,748 Common Shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors of Castle to be February 18, 2014 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held:

The by-laws of Castle provide that two (2) persons present and representing in person or by proxy not less than ten percent (10%) of the issued shares entitled to vote at the Meeting shall constitute a quorum for the transaction of business at the Meeting.

To the knowledge of the directors and senior officers of Castle, as at the date hereof, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, ten percent (10%) or more of the issued and outstanding Common Shares are the following:

Name and Municipality of Residence	Number of Common Shares Currently Owned	Percentage of Outstanding Common Shares
Drake Private Investments LLC ⁽¹⁾	43,289,828	21.47%

Note:

⁽¹⁾ Based on public filings or information provided to Castle by the holder, shareholdings as at February 18, 2014 over which the holder, on behalf of accounts fully managed by it, exercises control or direction.

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

Management of Castle is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director, promoter or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year or of any proposed nominee for election as a director of Castle, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the approval of the equity stock option plan of the Corporation (the "**Castle Stock Option Plan**") and the election of directors. All of the directors and officers may receive options pursuant to the Castle Stock Option Plan. See "*Particulars of Matters to be Acted Upon - Approval of Castle Stock Option Plan*".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding options ("**Options**") issued pursuant to compensation plans under which equity securities of the Corporation are authorized for issuance, the weighted average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under such compensation plans as at September 30, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding Options ⁽¹⁾	Weighted-average exercise price of outstanding Options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) ⁽¹⁾
Equity compensation plans approved by security holders ⁽¹⁾	16,845,500	\$0.29	3,267,775
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	16,845,500	\$0.29	3,267,775

Note:

- (1) Represents Options to purchase Common Shares granted pursuant to the Castle Stock Option Plan, which is a rolling 10% stock option plan.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of Castle, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the annual financial statements of Castle for the financial year ended September 30, 2013; (ii) the election of directors of Castle to hold office until the next annual meeting of the shareholders; (iii) the appointment of auditors of Castle, and authorizing the directors to fix the remuneration to be paid to the auditors; and (iv) approval of the Corporation's stock option plan (the "**Castle Stock Option Plan**") reserving for grant options to acquire up to a maximum of 10% of the issued and outstanding shares of the Corporation calculated at the time of each stock option grant.

I. FINANCIAL STATEMENTS

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the most recently completed financial year ended September 30, 2013, together with the auditors' report thereon.

II. ELECTION OF DIRECTORS

The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his or her successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation. The board of directors (the "**Board of Directors**") of Castle presently consists of five (5) directors, all of whom are elected annually. It is proposed that the number of directors of Castle for the ensuing year be fixed at five (5) and at the Meeting, a board of five (5) directors will be proposed for election.

It is proposed that the persons named below will be nominated for election as directors at the Meeting. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES OF CASTLE, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF SAID PERSONS TO THE BOARD OF DIRECTORS, AS APPLICABLE. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.** Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the bylaws of Castle.

Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected. The following information relating to the nominees for election as directors of Castle is as at February 18, 2014 and is based on information received by Castle from said nominees.

Name and Municipality of Residence of Proposed Nominee,	Principal Occupation for Last Five Years and Positions with Other Reporting Issuers	Director of Castle Since	Common Shares Beneficially Owned, Directly or Indirectly Controlled or Directed
Anthony M. Croll Director ⁽¹⁾⁽²⁾ Montreal, Quebec	Vice-president at Individual Investment Corporation since January 2006.	May 17, 2004	280,000 ⁽³⁾
Lester J. Fernandes Director ⁽¹⁾⁽²⁾ Montreal, Quebec	Senior Vice-President and CFO of Pivotal Payments since September 2004. Senior Vice-president and CFO of Payscale Corporation since December 2001.	July 19, 2006	125,000
Stephen Shefsky Director Toronto, Ontario	President of Cancap Investments Limited from October 1985 to present; President, CEO, and Director of James Bay Resources Limited since November 2007; CEO of Castle Resources from February 2008 to July 2011 and Executive Chairman of Castle since July 2011; Chairman of Morumbi Resources Inc. from December 2009 to July 2012; Vice Chairman of Morumbi Resources Inc. from July 2012 to November, 2013.	March 28, 2007	2,518,833 ⁽⁴⁾
Tim Mann Director ⁽¹⁾⁽²⁾ Oakville, Ontario	President of TLM Consulting since July 2004 and owner and principal of TLM Consulting Services since October 2010, Vice President of Engineering for Largo Resources Ltd. from December 13, 2006 to January 2011 and Chief Operating Officer of Largo Resources Ltd. from January 2011 to September, 2013.	June 3, 2010	NIL
Michel J. G. Sylvestre	President of Manitoba operations of Inco Ltd. from July 2006 to July 2008, CEO of Vale Inco New Caledonia from July 2008 to October 2009, COO of Linear Gold Corp. from October 2009 to July 2010, director of James Bay Resources Limited since June, 2010, President of Castle since July, 2010, COO of Castle from July 2010 to July, 2011 and CEO of Castle from July, 2011 to Present.	July 1, 2011	500,000
Tyler Mitchelson	Group Head, Integration for Anglo American, Chief Executive Officer and President of Royal Nickel Corporation from October 2009 to February 2014, and a director of Royal Nickel Corporation since September 2009. Vice President Strategy, Business Planning and Brownfield Exploration for Vale Nickel from 2007 to 2009.	July 18, 2013	15,000

Notes:

⁽¹⁾ Member of the Audit Committee of the Corporation.

⁽²⁾ Member of the Compensation Committee of the Corporation.

⁽³⁾ 80,000 of these Common Shares are owned by 622948 Alberta Ltd., a private company controlled by Mr. Croll.

⁽⁴⁾ 592,820 of these Common Shares are owned directly by Mr. Shefsky and the remaining 1,926,013 of the Common Shares are held by Mr. Shefsky through RRSPs and TFSAs.

The current directors, officers and promoters of Castle, as a group, control 4,317,333 Common Shares, representing 2.14% of the outstanding Common Shares.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Corporation is, as of the date of this Information Circular, or has been, within the past 10 years, a director or executive officer or of any company (including Castle) that, while that person was acting in that capacity:

(1) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(2) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days.

No proposed director of the Corporation is, as of the date of this Information Circular, or has been within the past 10 years, a director or executive officer of any company (including Castle) 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.

No proposed director of the Corporation has, within the past 10 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 that person.

III. APPOINTMENT OF AUDITORS

McGovern, Hurley, Cunningham LLP, Chartered Accountants, of Toronto, Ontario ("MHC"), have been the auditors of the Corporation since March 28, 2007. It is proposed that MHC be appointed as auditor of the Corporation; to hold office until the next annual meeting of shareholders of the Corporation at such remuneration as may be determined by the Board of Directors.

IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY FOR THE APPOINTMENT OF MHC AS AUDITORS OF THE CORPORATION AT SUCH REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS, UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE APPOINTMENTS OF AUDITORS.

IV. APPROVAL OF CASTLE STOCK OPTION PLAN

In August 2002 the TSX Venture Exchange (the "**Exchange**") amended its policies to require that all listed companies proposing to grant stock options to directors, employees and consultants adopt a stock option plan in accordance with the Policies of the Exchange. Under the Castle Stock Option Plan, the Board of Directors may grant up to ten percent (10%) of the total number of Common Shares issued and outstanding at the date of the stock option grant. On this basis, the Castle Stock Option Plan has been operated as a "rolling plan" as defined under the policies of the Exchange, which must be approved on an annual basis by the shareholders of Castle. Shareholders will be once again asked at the Meeting to vote on a resolution affirming, approving and ratifying the Castle Stock Option Plan for the ensuing year.

The Castle Stock Option Plan provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of Castle, or any subsidiary of Castle, the option to purchase Common Shares. The Castle Stock Option Plan provides for a floating maximum limit of ten percent (10%) of the outstanding Common Shares, as permitted by the Policies of the Exchange. As at the date hereof, this represents 20,163,275 Common Shares available under the Castle Stock Option Plan. To date, options to purchase a total of 16,945,500 Common Shares have been issued to directors, officers, employees and consultants of Castle.

The number of Common Shares reserved for any individual may not exceed five percent (5%) (two percent (2%) in the case of an individual who is a consultant or an employee conducting investor relations activities) of the issued and outstanding Common Shares at the date of the grant. The Board of Directors determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The option exercise price set by the Board of Directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to 5 years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the Castle Stock Option Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Common Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other Common Shares. Options must be exercised within 90 days (30 days in the case of an employee conducting investor relations activities) of termination of employment or cessation of

position with the Corporation, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within one (1) year, subject to the expiry date thereof. The full text of the Castle Stock Option Plan is attached hereto as **Schedule "A"**. Also see "*Statement of Executive Compensation – Elements of Compensation*".

At the Meeting, the shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. The incentive stock option plan of Castle, as described in the Information Circular of Castle (and as may be amended to comply with the policies of the Exchange from time to time), be and is hereby affirmed, ratified and approved; and
2. Any one (1) director or officer of the Castle be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Castle or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING FOR THE APPROVAL OF THE CASTLE STOCK OPTION PLAN, UNLESS THE SHAREHOLDER HAS OTHERWISE DIRECTED IN HIS PROXY.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation*, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer and Chief Financial Officer and each of the other three most highly compensated executive officers of the Corporation earning more than CDN\$150,000.00 in total compensation for the financial year ended September 30, 2013 (the "**Named Executive Officers**" or "**NEO's**"). Based on the foregoing, (a) Stephen Shefsky, Executive Chairman and Director of the Corporation; (b) Mike Sylvestre, President and Chief Executive Officer, (c) Eric Szustak, Chief Financial Officer of the Corporation and (d) Lenny Foreht, Vice President Operations and Corporate Development, are the Corporation's only NEO's as at September 30, 2013.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Review Process

The compensation committee (the "**Compensation Committee**") of the Board of Directors of the Corporation oversees an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Corporation and its Shareholders.

The Compensation Committee is comprised of Tim Mann (Chair), Anthony Croll and Lester Fernandes, all being independent directors, and are responsible for, among other things, reviewing executive compensation matters and making recommendations to the Board of Directors for its approval.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each NEO and determines the base management fee, bonus and participation in share compensation arrangements for each NEO. In making its decision, the Compensation Committee discusses various factors with both Management and peers in the industry in respect of compensation levels for the NEO's.

In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary. The Corporation does not currently have any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer or director compensation.

Objectives of the Compensation Program

The objectives of the Corporation's compensation program are to attract, hold and inspire performance of members of Management of a quality and nature that will enhance the sustainable growth of the Corporation.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and officers of companies of similar business, size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and NEO's while taking into account the financial and other resources of the Corporation.

The annual salaries for NEOs are designed to be comparable to executive compensation packages for similar positions at companies with similar financial, operating and industrial characteristics. The NEOs will be paid an annual salary that also takes into account his or her existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their appointment to their respective officer-ships with the Corporation. Increases in salary are to be evaluated on an individual basis and are performance and market-based. Although the Compensation Committee may take into account executive compensation paid by companies comparable with the Corporation, no specific benchmarking policy is in place for determining compensation or any element of compensation.

The Compensation Committee through consultation with the Board of Directors is given discretion to determine and adjust, year to year; the relative weighting of each form of compensation discussed above in a manner which best measures the success of the Corporation and its NEO's.

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including 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 or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Compensation Risk

The Corporation has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. The Corporation recognizes that there may be risks in its current processes but given the size and number of executives dedicated on a full-time basis, the Corporation does not believe the risks to be significant.

The Corporation has a Compensation Committee, consisting of three independent members of the Board of Directors, to assist the Board of Directors in discharging its duties relating to compensation of the Corporation's directors and senior officers. The Board of Directors believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board of Directors by the Compensation Committee based on annual performance reviews;
- the Compensation Committee consisting of a minimum of three members, all being independent;
- stock option vesting and option terms of 5-10 years discourages excessive risk taking to achieve short-term goals; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board of Directors, at which, activity by the executives must be approved by the Board of Directors if such activity is outside previously Board of Directors-approved actions and/or as set out in a board-approved budget. Due to the fact that the Corporation is still an exploration stage mining company, and given the current composition of the Corporation's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, if any, may be identified and mitigated through

regular Board of Directors meetings during which financial and other information of the Corporation are reviewed, including executive compensation.

Elements of Executive Compensation

The Corporation's executive compensation program is based on the objectives of: (a) recruiting and retaining the executives critical to the success of the Corporation; (b) providing fair and competitive compensation; (c) balancing the interests of Management and Shareholders; and (d) rewarding performance, on the basis of both individual and corporate performance.

For the financial year ended September 30, 2013, the Corporation's executive compensation program consisted of the following elements:

- (a) a base management fee, incentive cash bonuses and other compensation (together, a "**Short-Term Incentive**"); and
- (b) a long-term equity compensation consisting of stock options granted under the Corporation's stock incentive plan (each, a "**Long-Term Incentive**"), notwithstanding the fact that the Castle Stock Option Plan was not approved at the last meeting of the shareholders of the Company.

The specific rationale and design of each of these elements are outlined in detail below.

ELEMENT OF COMPENSATION	SUMMARY AND PURPOSE OF ELEMENT
Short-Term Incentive Plan	
Base Management Fee	Executive annual management fees are set at a level that is competitive with compensation for executive officers of peer group companies and having regard to the potential longer term compensation provided by the Option Plan. The Compensation Committee and Board of Directors reviews NEO salaries at least annually. In determining the base management fee to be paid to a particular NEO, the Compensation Committee and Board of Directors also consider the particular responsibilities related to the position, the experience level of the NEO, and his or her past performance at the Corporation.
Annual Performance-Based Cash Incentives	NEOs are eligible for annual cash bonuses, after taking into account and giving varying degrees of weight, depending on the relevance of these factors to the particular NEO, to indicators such as: relative stock performance, relative change in cash flow per share, performance against budget, expense control, the NEO's performance and other exceptional or unexpected factors. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of performance of the individual relative to such factors.
Other Compensation (Perquisites)	There are currently no other forms of compensation.
Long-Term Incentive Plan	
Stock Options	The granting of options to purchase common shares of the Corporation are designed to encourage the NEOs to own an interest in the Corporation and therefore tie their long-term interests to those of the shareholders of the Corporation. In determining individual grants of options, the Compensation Committee and Board of Directors consider factors such as: the performance and contributions to the success of the Corporation, the relative position of the individual, the years of service of the individual and past grants of options. When making recommendations to the Board of Directors on options, consideration is

also given to the submissions of the Chief Executive Officer. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of performance of the individual relative to such factors.

Base Management Fee

In determining the base management fee of an NEO, the Board of Directors' practice has been to consider the recommendations made by the Compensation Committee and then review and summarize these recommendations as well as the previous year's remuneration paid to executives with similar titles at a comparative group of companies in the marketplace. In determining the base salary or management fees to be paid to a particular executive officer, the Compensation Committee and Board of Directors also consider the particular responsibilities related to the position, the experience level of the NEO, and his or her past performance at the Corporation.

The Board of Directors believes that it is appropriate to establish compensation levels based in large part on a general consideration against similar companies, both in terms of compensation practices as well as levels of compensation. In this way, the Corporation can gauge if its compensation is competitive in the marketplace for its talent, as well as ensure that the Corporation's compensation is reasonable. Accordingly, the Board reviews compensation levels for the Named Executive Officers against compensation levels of the comparison companies which are identified by the Board.

Annual Performance-Based Cash Incentives

NEO's are eligible for annual cash bonuses, and the Compensation Committee and Board of Directors consider both corporate and the individual performance of each NEO. There is no policy currently in place for determining bonuses, and the Compensation Committee and Board of Directors reviews generally the individual's impact on maximizing operating performance. In general the Corporation will consider the following factors, depending on the relevance of these factors to the particular NEO, when determining potential bonuses:

- (a) relative stock performance;
- (b) relative change in cash flow per share;
- (c) performance against budget;
- (d) expense control;
- (e) the NEO's performance; and
- (f) other exceptional or unexpected factors.

In taking into account the financial performance aspect, it is recognized that NEO's cannot control certain factors, such as overall market conditions. When applying the financial performance criteria, the Compensation Committee and Board considers factors over which the NEO's can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Corporation.

With respect to the financial year ended September 30, 2013, bonuses were awarded to the Named Executive Officers as follows:

Name of Officer	Title of Officer	Bonus Amounts (C\$)
Stephen Shefsky	Executive Chairman and Director	50,000
Mike Sylvestre	Chief Executive Officer and Director	150,000
Eric Szustak	Chief Financial Officer	20,000
Lenny Foreht	Vice President Operations and Corporate Development	70,000

Other Compensation – Perquisites

With respect to the financial year ended September 30, 2013, no perquisites were paid for by the Corporation in respect of the NEO's.

Stock Options

To determine the granting of stock options to its NEO's, the Compensation Committee and Board consider prior grants, the role of the individual in the operating performance of the Corporation, and salary and cash bonuses being paid.

During the financial year ended September 30, 2013, no stock options were granted to the Named Executive Officers.

Other Long-Term Incentive Plans

The Corporation does not have any other long-term incentive plans and does not provide retirement benefits to its employees.

Overview of How the Compensation Program Fits with Compensation Goals

1. Attract, Hold and Inspire Key Talent

The compensation package meets the goal of attracting, holding and motivating key talent in a highly competitive mineral exploration environment through the following elements:

- (a) A competitive cash compensation program, consisting of base salary, management fees and bonus opportunity, which is generally above similar opportunities.
- (b) Providing an opportunity to participate in the Corporation's growth through options.

2. Alignment of Interests of NEO's with Interests of the Shareholders

The compensation package meets the goal of aligning the interests of the NEO's with the interests of Shareholders through the following elements:

- (a) Through the grant of stock options, if the price of the Corporation shares increases over time, both NEO's and Shareholders will benefit.
- (b) By providing a vesting period on stock awards, NEO's have an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

SUMMARY COMPENSATION TABLE

The following table provides information for the three most recently completed financial years ended September 30, 2013, 2012 and 2011 regarding compensation earned by each of the following Named Executive Officers of the Corporation: (a) Stephen Shefsky, the Executive Chairman and a director of the Corporation; Mike Sylvestre, the President, Chief Executive Officer and a director of the Corporation, (c) Eric Szustak, the Chief Financial Officer of the Corporation and (d) Lenny Foreht, the Vice President - Operations and Corporate Development of the Corporation.

Unless otherwise noted, salaries for the Named Executive Officers are paid in Canadian dollars.

Financial Years Ended September 30, 2013, 2012 and 2011

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Stephen Shefsky ⁽²⁾ Executive Chairman and Director	2013	233,332	NIL	82,325	50,000	NIL	NIL	NIL	365,657
	2012	281,250	NIL	NIL	75,000	NIL	NIL	NIL	356,250
	2011	206,250	NIL	589,093	75,000	NIL	NIL	NIL	870,343
Mike Sylvestre ⁽³⁾ President, Chief Executive Officer	2013	336,607	NIL	164,651	150,000	NIL	NIL	NIL	651,258
	2012	382,540	NIL	NIL	160,000	NIL	NIL	NIL	542,540
	2011	382,500	NIL	1,670,512	75,000	NIL	NIL	NIL	2,128,012
Eric Szustak Chief Financial Officer	2013	78,000	NIL	23,325	20,000	NIL	NIL	NIL	121,325
	2012	75,000	NIL	NIL	20,000	NIL	NIL	NIL	95,000
	2011	62,250	NIL	129,516	15,000	NIL	NIL	NIL	206,766
Lenny Foreht Vice President Operations and Corporate Development	2013	157,732	NIL	54,884	70,000	NIL	NIL	NIL	292,616
	2012	151,000	NIL	NIL	70,000	NIL	NIL	NIL	221,000
	2011	137,000	NIL	224,700	60,000	NIL	NIL	NIL	421,700

Notes:

- (1) This amount represents the grant date fair value of the stock options awarded in the fiscal year. The Black-Scholes option pricing model was used to estimate the fair value of the options at the grant date.
- (2) Stephen Shefsky was appointed Chief Executive Officer and President in February, 2008, resigned as President on June 30, 2011 and resigned as Chief Executive Officer and was appointed Executive Chairman on July 1, 2011.
- (3) Mike Sylvestre was appointed President and Chief Operating Officer on July 1, 2010 and resigned as Chief Operating Officer and was appointed Chief Executive Officer on July 1, 2011.

Summary Compensation – Narrative Discussion

The Corporation has entered into executive employment agreements with each of its Named Executive Officers, as described below. For details of termination and change of control benefits payable to the NEO's see the below under the heading "*Statement of Executive Compensation - Termination and Change of Control Benefits*".

Stephen Shefsky

Pursuant to the terms of an agreement (the "**Shefsky Agreement**") dated January 1, 2011 as amended October 1, 2012, and as further amended the Corporation has retained Mr. Shefsky to serve as the Corporation's Executive Chairman. Mr. Shefsky is also a director of the Corporation. The Shefsky Employment Agreement provides for an annual salary of \$287,500 in 2012 and \$250,000 in 2013, plus reimbursement for all reasonable out-of-pocket expenses incurred in connection with the performance of services under the Shefsky Agreement. Effective June 1, 2013, Mr. Shefsky agreed to a temporary 20% in reduction of his salary. Mr. Shefsky shall earn an annual salary of and 200,000 in 2014. An annual

bonus of a maximum of one time the annual compensation may also be declared at the sole option and discretion of the Board of Directors based on Mr. Shefsky's performance. Mr. Shefsky is also eligible, subject to compliance with all securities and regulatory laws, rules and policies, and the discretion of the Board of Directors, to participate in any stock option plan offered by the Corporation to its executives and senior employees generally.

Mike Sylvestre

Pursuant to the terms of an agreement (the "**Sylvestre Agreement**") with Mike Sylvestre, dated July 1, 2010 as amended and restated on January 1, 2011 and amended on October 1, 2012, the Corporation retained Mr. Sylvestre to serve as the Corporation's President and Chief Executive Officer for a two year term effective from January 1, 2011 until December 31, 2012, which term has been renewed for a further 2 years until December 31, 2014. The Sylvestre Employment Agreement provides for an annual salary of \$393,750 in 2012 and \$375,000 in 2013, plus reimbursement for all reasonable out-of-pocket expenses incurred in connection with the performance of services under the agreement. Effective June 1, 2013, Mr. Sylvestre agreed to a temporary 20% in reduction of his salary. Mr. Sylvestre shall earn an annual salary of 300,000 in 2014. An annual bonus of a maximum of one time the annual compensation may also be declared at the sole option and discretion of the Board of Directors based on Mr. Sylvestre's performance. Mr. Sylvestre is also eligible, subject to compliance with all securities and regulatory laws, rules and policies, and the discretion of the Board of Directors, to participate in any stock option plan offered by the Corporation to its executives and senior employees generally.

Eric Szustak

Pursuant to the terms of an agreement (the "**Szustak Agreement**") dated January 1, 2011, the Corporation retained Mr. Szustak to serve as the Corporation's Chief Financial Officer. The Szustak Employment Agreement provides for an annual salary of \$78,000 in 2012, 78,000 in 2013 and 78,000 in 2014 plus reimbursement for all reasonable out-of-pocket expenses incurred in connection with the performance of services under the Szustak Agreement. An annual bonus of a maximum of one time the annual compensation may also be declared at the sole option and discretion of the Board of Directors based on Mr. Szustak's performance. Mr. Szustak is also eligible, subject to compliance with all securities and regulatory laws, rules and policies, and the discretion of the Board of Directors, to participate in any stock option plan offered by the Corporation to its executives and senior employees generally.

Lenny Foreht

Pursuant to the terms of an agreement (the "**Foreht Agreement**") dated March 1, 2011, the Corporation retained Mr. Foreht to serve as the Corporation's Vice President of Operations and Corporate Development. The Foreht Employment Agreement provides for an annual salary of \$168,000 in 2012 and \$184,000 in 2013, plus reimbursements for all reasonably out-of-pocket expenses incurred in connection with the performance of services under the Foreht Agreement. Effective June 1, 2013, Mr. Foreht agreed to a temporary 20% in reduction of his salary. Mr. Foreht shall earn an annual salary of 147,200 in 2014. An annual bonus may also be declared at the sole option and discretion of the Board of Directors based on Mr. Foreht's performance. Mr. Foreht is also eligible, subject to compliance with all securities and regulatory laws, rules and policies, and the discretion of the Board of Directors, to participate in any stock option plan offered by the Corporation to its executives and senior employees generally.

INCENTIVE PLAN AWARDS

The following table provides information regarding the incentive plan awards for each NEO outstanding as of September 30, 2013.

Outstanding Share-Based Awards and Option-Based Awards

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen Shefsky Executive Chairman and Director	375,000	0.10	June 1, 2014	NIL	N/A	N/A	N/A
	525,000	0.25	April 23, 2015	NIL			
	800,000	0.50	October 18, 2015	NIL			
	300,000	0.75	March 2, 2016	NIL			
	1,350,000	0.11	April 15, 2018	NIL			
Mike Sylvestre President and Chief Executive Officer	500,000	0.20	July 19, 2015	NIL	N/A	N/A	N/A
	1,000,000	0.50	October 18, 2015	NIL			
	860,000	0.60	January 21, 2016	NIL			
	1,000,000	0.75	March 2, 2016	NIL			
	2,700,000	0.11	April 15, 2018	NIL			
Eric Szustak Chief Financial Officer	300,000	0.10	June 1, 2014	NIL	N/A	N/A	N/A
	65,000	0.25	April 23, 2015	NIL			
	200,000	0.50	October 18, 2015	NIL			
	50,000	0.75	March 2, 2016	NIL			
	382,500	0.11	April 15, 2018	NIL			
Lenny Foreht Vice President Operations and Corporate Development	300,000	0.10	June 1, 2014	NIL	N/A	N/A	N/A
	100,000	0.25	April 23, 2015	NIL			
	400,000	0.50	October 18, 2015	NIL			
	50,000	0.75	March 2, 2016	NIL			
	900,000	0.11	April 15, 2018	NIL			

Note:

⁽¹⁾ Based on the closing price of the common shares of the Corporation as quoted by the TSX Venture Exchange on September 30, 2013, of \$0.06.

The following table provides information regarding the value vested or earned of incentive plan awards for the financial year ended September 30, 2013.

Value Vested or Earned During the Financial Year Ended September 30, 2013

Name and principal position	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Shefsky Executive Chairman and Director	NIL	NIL	NIL
Mike Sylvestre President and Chief Executive Officer	NIL	NIL	NIL
Eric Szustak Chief Financial Officer	NIL	NIL	NIL
Lenny Foreht Vice President Operations and Corporate Development	NIL	NIL	NIL

Note:

⁽¹⁾ These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the option at the assumed exercise date and the exercise or base price of the option under the option-based award on the vest date.

PENSION PLAN BENEFITS

The Corporation does not currently provide pension plan benefits to its Named Executive Officers.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table provides details regarding the estimated incremental payments from the Corporation to Messrs. Shefsky, Sylvestre, Szustak and Foreht upon a change of control or on termination without cause, assuming a triggering event occurred on September 30, 2013:

NEO and Event	Severance Period (# of months)	Base Salary (\$ per year)	Total Payment (\$)
Stephen Shefsky Termination without Cause	12	250,000	300,000
Stephen Shefsky Corporation elects to terminate within 6 months of a Change of Control	24	250,000	500,000
Stephen Shefsky NEO elects to terminate within 90 days of a Change of Control	18	250,000	375,000
Mike Sylvestre Termination without Cause	14	375,000	437,500
Mike Sylvestre Corporation elects to terminate within 6 months of a Change of Control	24	375,000	750,000
Mike Sylvestre NEO elects to terminate within 90 days of a Change of Control	18	375,000	562,500
Eric Szustak Termination without Cause	12	78,000	78,000
Eric Szustak Corporation elects to terminate within 6 months of a Change of Control	24	78,000	156,000
Eric Szustak NEO elects to terminate within 90 days of a Change of Control	18	78,000	117,000
Lenny Foreht Termination without Cause	12	168,000	168,000
Lenny Foreht Corporation elects to terminate within 6 months of a Change of Control	24	168,000	336,000
Lenny Foreht Officer elects to terminate upon a Change of Control	18	168,000	252,000

DIRECTOR COMPENSATION

During the financial year ended September 30, 2013, the non-executive directors of the Corporation were paid a quarterly stipend in the amount of \$2,500. The non-executive directors are also, from time to time, granted incentive stock options in accordance with the Castle Stock Option Plan (discussed above under the heading "Approval of Matters to be Acted Upon – Approval of Castle Stock Option Plan"). Except for the foregoing, directors of the Corporation do not receive any compensation for attending meetings of the board of directors or a committee of the board of directors.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended September 30, 2013. Information regarding the compensation paid to Stephen Shefsky and Mike Sylvestre during the financial year ended September 30, 2013 (including as a director) is disclosed in the sections above relating to executive compensation.

Name	Fees earned ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Lester J. Fernandes	10,000	NIL	10,977	NIL	NIL	NIL	20,977
Anthony Croll	10,000	NIL	10,977	NIL	NIL	NIL	20,977
Tim Mann	10,000	NIL	10,977	NIL	NIL	NIL	20,977
Tyler Mitchelson ⁽³⁾	2,500	NIL	10,663	NIL	NIL	NIL	13,163
TOTALS	32,500	NIL	32,930	NIL	NIL	NIL	76,094

Notes:

- (1) Non-executive directors are paid a quarterly stipend of \$2,500.
(2) This amount represents the grant date fair value of the stock options awarded in the fiscal year. The Black-Scholes option pricing model was used to estimate the fair value of the options at the grant date.
(3) Tyler Mitchelson was appointed to the board of directors of the Corporation effective July 18, 2013.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each non-executive director outstanding as of September 30, 2013. Information regarding the incentive plan awards for Stephen Shefsky and Mike Sylvestre during the financial year ended September 30, 2013 (including as a director) is disclosed in the sections above relating to executive compensation.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Lester J. Fernandes	50,000	0.10	June 1, 2014	NIL	N/A	N/A
	50,000	0.25	April 23, 2015	NIL		
	50,000	0.50	October 18, 2015	NIL		
	180,000	0.11	April 15, 2018	NIL		
Anthony Croll	50,000	0.10	June 1, 2014	NIL	N/A	N/A
	50,000	0.25	April 23, 2015	NIL		
	50,000	0.50	October 15, 2015	NIL		
	180,000			NIL		
Tim Mann	200,000	0.235	April 23, 2015	NIL	N/A	N/A
	50,000	0.50	October 15, 2015	NIL		
	180,000			NIL		
Tyler Mitchelson	200,000	0.09	September 10, 2018	NIL	N/A	N/A

Note:

- (1) Based on the closing price of the common shares of the Corporation as quoted by the TSX Venture Exchange on September 30, 2013, of \$0.06.

The following table provides information regarding the value vested or earned of incentive plan awards for each non-executive director for the financial year ended September 30, 2013. Information regarding the value vested or earned

of incentive plan awards for Stephen Shefsky and Mike Sylvestre for the financial year ended September 30, 2013 is disclosed in the sections above relating to executive compensation.

Value Vested or Earned During the Financial Year Ended September 30, 2013

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lester J. Fernandes	NIL	NIL	NIL
Anthony Croll	NIL	NIL	NIL
Tim Mann	NIL	NIL	NIL
Tyler Mitchelson	NIL	NIL	NIL

Note:

⁽¹⁾ These amounts represent the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. The value of each amount has been determined by taking the difference between the market price of the option at the assumed exercise date and the exercise or base price of the option under the option-based award on the vest date.

Retirement Policy for Directors

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

Directors' and Officers' Liability Insurance

The Corporation and its subsidiaries currently maintain directors' and officers' liability insurance in the amount of \$5,000,000 in the aggregate for the term ending May 24, 2014. The insurer shall pay on behalf of the directors, officers, employees and the Corporation for any applicable loss resulting from a claim. There is retention of \$25,000 for each claim where the Corporation or its subsidiaries provide indemnification to a director or officer. The aggregate annual premium for the policy is \$10,800. All costs associated with the premiums are borne by the Corporation.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of 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 appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Corporation's common shares trade on the TSX Venture Exchange, a member of the TMX Group and Canada's foremost public venture marketplace. Accordingly, the Board of Directors of the Corporation has carefully considered the Corporate Governance Guidelines (the "**Guidelines**") adopted by the Toronto Stock Exchange, as well as those proposed by the Toronto Stock Exchange but not yet in force, and has deemed it to be in the best interests of shareholders to promote best corporate governance practices. Although there is no requirement for the Corporation to comply with the Guidelines, the Corporation considers the Guidelines to be an important guide for providing effective corporate governance and intends to implement many of the Guidelines over the current fiscal period.

Corporate Governance Disclosure

The information required to be disclosed by National Policy 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") is attached to this Information Circular as **Schedule "B"**.

Board Committees and their Mandates

Audit Committee

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as disclosed by Form 52-110F2 attached to this Information Circular as **Schedule "C"**.

The Audit Committee's primary duties and responsibilities are to: (i) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements; (ii) review and appraise the performance of the Corporation's external auditors; and (iii) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors. The Audit Committee reports its deliberations and discussions regularly to the Board and submits to the Board the minutes of its meetings.

The Audit Committee consists of Anthony Croll (Chair), Lester Fernandes and Tim Mann. All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110 and "independent" as that term is defined in NI 52-110.

The Chairman of the Audit Committee, in consultation with the Audit Committee members, determines the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four (4) times in each fiscal year and at least once in every fiscal quarter. The Audit Committee has the authority to convene additional meetings as circumstances require. A schedule for each of the meetings is disseminated to Audit Committee members prior to the start of each fiscal year. An agenda for each meeting is disseminated to Audit Committee members as far in advance of each meeting as is practicable.

Compensation Committee

The Compensation Committee consists of Tim Mann (Chair), Anthony Croll and Lester Fernandes, all being independent directors. The Compensation Committee is responsible for reviewing the Corporation's compensation and incentive programs. The Compensation Committee is responsible for assessing senior management's performance and recommending senior management compensation to the Board. The Compensation Committee reviews the adequacy and form of directors' compensation and makes recommendations designed to ensure that directors' compensation adequately reflects the responsibilities of the Board. The Compensation Committee also administers the Option Plan and makes recommendations to the Board respecting grants of options thereunder.

Further information regarding the Compensation Committee's responsibilities, powers and operation of the Compensation Committee are set out above under the section entitled "*Statement of Executive Compensation - Compensation Discussion and Analysis*" and **Schedule "B"**.

The Corporation believes that each of the members of the Compensation Committee possess the skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Corporation as set out below.

Tim Mann

Mr. Tim Mann, P. Eng, has been a director of the Corporation since 2010. Mr. Mann was the Chief Operating Officer of Largo Resources Ltd. ("**Largo**") from February 3, 2011 to September 2013. He also served as the Vice President of Engineering for Largo from December 13, 2006 to January 2011. Mr. Mann is currently a consultant to Largo. Mr. Mann has more than 40 years of mining experience and operates TLM Consulting, a firm that provides a wide array of services to the mining industry. Mr. Mann has acquired extensive experience throughout the mining cycle in various management roles including Vice President of Operations for Goldcorp, Senior Manager of several mines and projects for Placer Dome and Manager with SNC Lavalin's Mining and Metallurgy Division. He established his own consulting business in 2004. He was a Director at RNC Gold Inc. from January 12, 2005 until the company was acquired by Yamana in February 2006. He also served as a Director of Puget Ventures Inc. from July 21, 2011 to December 2011. He is also a fellow the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and a member of the Institution of Mining & Metallurgy in the United Kingdom. Mr. Mann is a Mining Consultant and Professional Engineer. Mr. Mann holds a Bachelor of Science (Honours) in Mining Engineering and a Post Graduate Certificate of Education from Nottingham University (United Kingdom).

Anthony Croll

Mr. Anthony Croll has been a director of the Corporation since 2004. Mr. Croll is a Vice-President at Individual Investment Corporation, a Montreal-based commercial and residential real estate finance company. Previously he was a Partner at Linear Capital Corporation from March 2004 to December 2005 and a Partner at Goodrich Capital Canada from December 2000 to March 2004. Mr. Croll is a Director of Morumbi Resources Inc. (TSXV: MOC), and GFK Resources Inc. (TSXV: GFK).

Lester Fernandes

Mr. Lester Fernandes has been a director of the Corporation since 2006. Mr. Fernandes served as Senior Vice-President and Chief Executive Officer at Pivotal Payments since September 2004. Mr. Fernandes also served as Senior Vice-President and Chief Financial Officer of Payscale Corporation since December, 2001.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, promoter or employee of Castle or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries, or to any other entity, where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

No person who is, or was at any time during the most recently completed financial year of the Corporation, a director, promoter or executive officer of the Corporation or any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any such person, is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; nor is any such indebtedness of any such person to another entity now, nor has it been at any time in the past, since the beginning of the most recently completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, under a securities purchase program or any other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Neither the Corporation nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other informed person of the Corporation, nor any associate or affiliate of any of the foregoing has or has had, at any time since the beginning of the year ended September 30, 2013, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

LEGAL PROCEEDINGS CONCERNING CASTLE

Management of Castle is not aware of any material legal proceedings outstanding, pending or threatened as at the date hereof, by or against Castle, which would be material to a purchaser of securities of Castle.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION CONCERNING CASTLE

Additional information relating to the Corporation may be found on SEDAR. Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year.

Under NI 51-102, any person or company who wishes to receive interim financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation's agent, together with a signed statement that the person or company is the owner of securities of the Corporation. Shareholders who wish to

receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Corporation's transfer agent, CST Trust Company, at their proxy department located at P.O. Box 721, Agincourt, Ontario M1S 0A1, or faxed to (416) 368-2502 or (866) 781-3111. The Corporation maintains a supplemental mailing list of persons or companies wishing to receive interim financial statements.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to the Shareholders of the Corporation have been approved by the Board of Directors. Unless otherwise specified, information contained in this Information Circular is given as of February 18, 2014.

DATED at Toronto, Ontario this 18th day of February, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

"Stephen Shefsky"

STEPHEN SHEFSKY
Executive Chairman and Director

THIS IS SCHEDULE "A" ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF CASTLE RESOURCES INC. TO BE HELD ON MARCH 31, 2014, AND ANY ADJOURNMENT THEREOF

**CASTLE RESOURCES INC.
STOCK OPTION PLAN**

1. Purpose

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "**Board of Directors**" means the Board of Directors of the Corporation;
- (b) "**Common Shares**" means common shares in the capital of the Corporation;
- (c) "**Corporation**" means Castle Resources Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) "**Discounted Market Price**" means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) "**Exchange**" means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (f) "**Exchange Policies**" means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) "**Insider**" has the meaning ascribed thereto in Exchange Policies;
- (h) "**Market Price**" at any date in respect of the Common Shares shall be the closing price of such Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board of Directors in its sole discretion;
- (i) "**Option**" means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

- (j) "**Option Period**" means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (k) "**Optionee**" means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;
- (l) "**Plan**" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;
- (m) "**Securities Act**" means the *Securities Act* (Ontario), as amended, or such other successor legislation as may be enacted, from time to time; and
- (n) "**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Disinterested Shareholder Approval", "Employee", "Insider", "Investor Relations Activities" and "Management Company Employee".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Common Shares Subject to Options

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12 month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;
- (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant]."

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than ¼ of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the "**Withholding Obligations**").

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Withholding Taxes

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the "**Withholding Amount**") may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

- (i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or
- (ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares; or
- (iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount;

provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

11. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

12. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

13. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

14. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

15. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

16. Costs

The Corporation shall pay all costs of administering the Plan.

17. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

18. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

19. Prior Plans

On the effective date (as set out in Section 20 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to the Plan.

20. Effective Date

This Plan became effective as of and from May 19, 2004 and as amended on February 4, 2011.

THIS IS SCHEDULE "B" ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF CASTLE RESOURCES INC. TO BE HELD ON MARCH 31, 2014, AND ANY ADJOURNMENT THEREOF

**FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required and hereby discloses its corporate governance practices as of the date of this Information Circular:

1. Board of Directors

As at February 18, 2014 the board of directors (the "**Board**") is comprised of five directors.

Lester Fernandes, Tim Mann and Anthony Croll are "independent" (as that term is defined in NI 58-101) directors of the Corporation in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the directors' ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings.

Stephen Shefsky (Executive Chairman) is a senior officer of the Corporation and Mike Sylvestre (President and Chief Executive Officer) is a senior officer of the Corporation, and are therefore not "independent", as that term is defined in NI 58-101.

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent discussions with management and regular meetings of the Board.

2. Directorships

Name of Director	Name of Reporting Issuer
Stephen Shefsky	Castle Resources Inc. and James Bay Resources Limited
Mike Sylvestre	Castle Resources Inc., James Bay Resources Limited, Claude Resources Inc. and Wellgreen Platinum Corp.
Lester Fernandes	Castle Resources Inc.
Anthony Croll	Castle Resources Inc., Morumbi Resources Inc. and GFK Resources Inc.
Tim Mann	Castle Resources Inc.
Tyler Mitchelson	Castle Resources Inc. and Royal Nickel Corporation

3. Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Corporation, technical reports, internal financial information, and management and technical experts and consultants.

4. Ethical Business Conduct

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

5. Nomination of Directors

The Compensation Committee is responsible for identifying individuals believed to be qualified to become board members, consistent with criteria approved by the Board, and to nominate to stand for election at the Corporation's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Board shall fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Compensation Committee shall take into consideration the opinions of management of the Corporation, the criteria approved by the Board and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members', willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Corporation's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.

6. Compensation

The Compensation Committee oversees an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Corporation and its shareholders and then makes recommendations to the Board on the level and form of director or executive compensation. The Board will then decide as a whole director and executive compensation based upon recommendations from this committee.

The Compensation Committee is comprised of Tim Mann (Chair), Anthony Croll and Lester Fernandes, with each of the members of the Compensation Committee being independent directors.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and executives of companies of similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

7. Other Board Committees

The Board has established an Audit Committee and a Compensation Committee. The Corporation intends to establish a Corporate Governance Committee.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following areas: (i) the Corporation's external audit function; (ii) internal control and management information systems; (iii) the Corporation's accounting and financial reporting requirements; (iv) the Corporation's compliance with law and regulatory requirements; (v) the Corporation's risks and risk management policies; and (vi) such other functions as are delegated to it by the Board. Specifically, with respect to the Corporation's external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Corporation's financial statements; (ii) the independent auditors' qualifications; and (iii) the performance of the Corporation's independent auditors.

The Audit Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- (b) review and appraise the performance of the Corporation's external auditors; and
- (c) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

The Audit Committee reports its deliberations and discussions regularly to the Board and submits to the Board the minutes of its meetings.

Additional information in respect of the Audit Committee is set out under **Schedule "C"** to the Information Circular. Additional information in respect of the Compensation Committee is set out in the section "*Statement on Executive Compensation*" beginning on page 7 of the Information Circular.

8. Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees to satisfy itself that the Board, its committees and its individual directors are performing effectively.

**THIS IS SCHEDULE "C" ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS
OF CASTLE RESOURCES INC. TO BE HELD ON MARCH 31,
2014, AND ANY ADJOURNMENT THEREOF**

**FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE**

1. The Audit Committee's Charter

The Corporation's Audit Committee Charter is attached hereto as Exhibit 1.

2. Composition of the Audit Committee

The audit committee of the Corporation (the "**Audit Committee**") consists of as many members as the board of directors (the "**Board**") shall determine, but in any event not fewer than three (3) members who are appointed by the Board. The composition of the Audit Committee shall meet all applicable independence, financial literacy and other legal and regulatory requirements. The majority of the members of the Audit Committee shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee, and at least one (1) member shall have "accounting or related financial experience". For the purposes of the Audit Committee's terms of reference, 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 Corporation's financial statements.

The Board has appointed Anthony Croll, Lester Fernandes and Tim Mann as members of the Audit Committee. All members of the Audit Committee are "financially literate" as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and are "independent" as that term is defined in NI 52-110.

3. Relevant Education and Experience

Name	Independent of the Corporation	Financially Literate	Relevant Education and Experience
Anthony Croll	Yes	Yes	Partner at Linear Capital Corporation from March 2004 to December 2005. Vice-president at Individual Investment Corporation since January 2006.
Lester Fernandes	Yes	Yes	Senior Vice-President and CFO of Pivotal Payments since September 2004. Senior Vice-President and CFO of Payscale Corporation since December 2001
Tim Mann	Yes	Yes	Chief Operating Officer of Largo Resources Ltd. (" Largo ") from January 2011 to September 2013 and Vice President of Engineering for Largo from December 2006 to January 2011. Has extensive experience in various management roles in mining industry including Vice President of Operations of Goldcorp, senior manager of several mines and projects for Placer Dome and a Manager of Mining of SNC Lavalin.

4. Audit Committee Oversight

The Audit Committee has not made a recommendation to the Board of Directors to nominate or compensate an external auditor that has not been adopted by the Board.

5. Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in Section 2.4 (*De Minimis Non-audit Services*) or Section 8 (*Exemptions*) of NI 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 auditor, where the total amount of fees related to the non-audit services are not expected to exceed five percent (5%) of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

7. External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by the external auditors for last two fiscal years are as follows:

Nature of Services	Fees Paid to Auditor in Year-ended September 30, 2012	Fees Paid to Auditor in Year-ended September 30, 2013
Audit Fees ⁽¹⁾	\$38,000	\$47,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$3,000	\$8,500
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$41,000	\$55,500

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and any quarterly reviews of the Corporation's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in "Audit Fees".
- (3) "Tax Fees" include fees for professional services rendered by the Corporation's auditors for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" include fees for products and services provided by the Corporation's auditors other than the services included in "Audit Fees", "Audit-Related Fees" and "Tax Fees".

8. Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Exhibit "I"

Audit Committee Charter

Mandate

The primary function of the Audit 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 Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control systems and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

Composition

The Audit 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 reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit 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 Audit Committee'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 Corporation's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

Meetings

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit 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 Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation 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.
3. Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
5. Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
9. 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 Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (c) such services are promptly brought to the attention of the Audit Committee by the Corporation and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.

4. 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.
5. 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.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
9. Review certification process.
10. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.