

**BANYAN GOLD CORP.**  
**166 Cougarstone Crescent S.W.**  
**Calgary, Alberta, T3H 4Z5**  
**Telephone/Fax: (403) 450-8450**

**MANAGEMENT PROXY CIRCULAR**  
**as at May 1, 2015**

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Banyan Gold Corp. (the "Corporation") for use at the annual general and special meeting (the "Meeting") of its shareholders to be held on June 8, 2015 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Management Proxy Circular, references to "the Corporation", "we" and "our" refer to Banyan Gold Corp. "Common Shares" means Class "A" common shares without par value in the capital of the Corporation. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Valiant Trust Company, Proxy Department, Suite 310, 606-4<sup>th</sup> Street NW, Calgary, Alberta, T2P 1T1, or by fax at (403) 233-2857, ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## Beneficial Shareholders

**The information in this section is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

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 the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "**intermediary**"). In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "**United States**" or the "**U.S.**"), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form (a "**VIF**") in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation) other than the persons designated in the VIF to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting, in order to have your Common Shares voted or to have an alternate representative duly appointed to attend and vote your Common Shares at the Meeting.**

### **Notice to Shareholders in the United States**

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of Alberta, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (Alberta) (the "**Albert Act**"), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Valiant Trust Company, or to the Corporation's office at 166 Cougarstone Cres. S.W. Calgary, Alberta, T3H 4Z5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of Directors of the Corporation (the "**Board**") has fixed May 1, 2015 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the record date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to Valiant Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the "TSXV").

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class "B" common shares and an unlimited number of Preferred shares. As of May 1, 2015, the Corporation had outstanding 24,384,000 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. As at May 1, 2015, there were no Class "B" common shares and no Preferred shares issued or outstanding. No group of shareholders has the right to elect a specified number of directors. There are special rights and restrictions attached to the Common Shares, Class "B" common shares and Preferred shares as set out in the Articles of the Corporation.

To the knowledge of the directors and executive officers of the Corporation, the only persons or corporations who beneficially own, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at May 1, 2015 are:

<u>Name</u>	<u>Number of Common Shares(1)</u>	<u>Percentage</u>
Jayco Holdings Inc.	4,626,000	18.97 %

#### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the years ended September 30, 2014 & 2013, the report of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Chief Executive Officer of the Corporation at 166 Cougarstone Cres. S.W., Calgary, Alberta, T3H 4Z5 Telephone No. (403) 450-8450. These documents and additional information are also available through the internet under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass all of the resolutions described herein except for the vote to amend to the Articles of the Corporation which require a 2/3 majority. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

#### **NUMBER OF DIRECTORS**

Under our Articles, the number of directors may be fixed or changed from time to time by ordinary resolution but shall not be fewer than three. The Board believes that four is a sufficient number of directors to efficiently carry out the duties of the Board at our current stage of development, as well as enhance the diversity of views, skills and experience the directors bring to the Board.

**The Board recommends that shareholders vote in favour of fixing the number of directors at four. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR setting the number of directors at four.**

**ELECTION OF DIRECTORS**

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the Alberta Act, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's four nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 1, 2015.

<b>Nominee Position with the Corporation and Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Richmond Graham <sup>(2)</sup> Director Regina, Saskatchewan, Canada	Mr. Graham is President & CEO of the Regina Airport Authority and the Regina International Airport (YQR). He was a Founder and Director of Banyan Gold Corp since it was formed in 2010. From 2010 to 2014 he was also President & CEO of Banyan Gold Corp. Mr. Graham sits on the Board of Directors of CSA Group, sat on the Board of Directors of Moss Lake Gold Mines from 2010 until it sold to Wesdome in 2014. Between 2008 and 2013 he held Vice President positions in Distinct Resources Corp, Landis Energy Corporation and AltaGas.	Since July 2010	841,000
Mark Ayranto <sup>(2)</sup> Director Vancouver, British Columbia, Canada	Since 2009 Mr. Ayranto has been a Vice President with Victoria Gold Corp. Previously, Mr. Ayranto was the VP, Corporate Development for StrataGold Corporation. Mr. Ayranto sits on the Yukon Mineral Advisory Board.	Since July 2010	868,500
Jay Collins British Columbia, Canada	Mr. Collins is President of Merit Consultants International Inc., a project and construction management company to the mining industry.  Mr. Collins sits on the Board of Directors for Nevada Copper Corp. since September 2012. He served on the Board of Directors for Selwyn Resources from September 2012 to April 2013	Since June 2013	4,626,000

Nominee Position with the Corporation and Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
Tara Christie Yukon, Canada	Ms. Christie has been President of privately owned Gimlex Gold Mines Ltd. since 2006 and has been a member of the Board of Directors of Constantine Metal Resources Ltd. since July 2006.	Since June 2013	538,000

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Member of the Corporation's Audit Committee.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Corporation acting solely in such capacity.

**The Board recommends that shareholders vote in favour of the nominees for election as directors. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the five nominees as directors of the Corporation for the ensuing year.**

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this management proxy circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **APPOINTMENT OF AUDITOR**

John J. Geib, Chartered Accountant, Suite 405, 11012 Macleod Trail S.E., Calgary, Alberta T2J 6A5 will be nominated by Management at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the directors. John J. Geib, Chartered Accountant was appointed as the Corporation's auditor during the last fiscal year ended September 30, 2014.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of John J. Geib, Chartered Accountant, as the auditor of the Corporation until the close of the next annual general meeting and FOR the proposed resolution to authorize the Board to fix the auditor's remuneration.**

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee's Charter**

The audit committee has a charter. A copy of the audit committee charter is attached hereto as Schedule "A".

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

The current members of the audit committee are Richmond Graham, Gregory Melchior and Mark Ayranto. Gregory Melchior and Richmond Graham are independent members of the audit committee as contemplated by NI 52-110. Mark Ayranto is not an independent member of the audit committee as he is an officer of the Corporation. All audit committee members are considered to be financially literate.

#### **Relevant Education and Experience**

See disclosure under heading "Election of Directors".

Each member of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

#### **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than John J. Geib, Chartered Accountant.

#### **Reliance on Certain Exemptions**

The Corporation's auditor, John J. Geib, Chartered Accountant, has not provided any material non-audit services.

### Pre-Approval Policies and Procedures

See audit committee charter for specific policies and procedures for the engagement of non-audit services adopted by the audit committee.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by John J. Geib, Chartered Accountant to the Corporation to ensure auditor independence. Fees incurred are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2014.	Fees Paid to Auditor in Year Ended September 30, 2013.
Audit Fees <sup>(1)</sup>	\$15,000.00	\$19,000.00
Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	2,000.00	3,000.00
All Other Fee <sup>(4)</sup>	-	-
Total	\$17,000.00	\$22,000.00

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include 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 services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110 for the year ended September 30, 2014. This exemption exempts a "venture issuer" from the requirement to have 100% of its members independent, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the Corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.



The current independent directors of the Corporation are Jay Collins, Tara Christie and Richmond Graham. The non-independent directors are Mark Ayranto as he is an officer of the Corporation.

#### **Directorships of the Proposed Board**

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Richmond Graham	Banyan Gold Corp.	TSX-V	Director President & CEO	July 2010 July 2010	Present June 2014
	Moss Lake Gold Mines	TSX-V	Director	June 2010	April 2014
Mark Ayranto	Banyan Gold Corp.	TSX-V	Chairman & Director	July 2010	Present
Jay Collins	Banyan Gold Corp.	TSX-V	Director	June 2013	Present
	Nevada Copper	TSX -V	Director	Sept 2012	Dec 2013
	Selwyn Resources	TSX-V	Director	Sept 2012	Apr 2013
Tara Christie	Banyan Gold Corp.	TSX-V	Director	June 2013	Present
	Constantine Metal Resources Ltd.	TSX-V	Director	July 2006	Present
	Monster Mining Corp.	TSX-V	Director	Apr 2011	Feb 2012

#### **Nomination of Directors**

The Board of Directors considers the Boards size each year when it considers the number of directors to recommend, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Recommendations from the Board of Directors are presented to the shareholders at the annual general meeting for approval.

#### **Compensation**

**The directors of the Corporation are not paid an annual director's fee nor are they paid a fee to attend Board meetings. Directors are compensated Orientation and Continuing Education**

When new directors are appointed, they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

#### **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 directors' 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.

#### **Other Board Committees**

The Board has a Compensation committee.

## **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 audit committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **BANYAN GOLD CORP**

**(the "Issuer" or "Corporation" for the fiscal year ended September 30, 2014)**

#### **Named Executive Officer**

In this section "Named Executive Officer" ("**NEO**") means the Chief Executive Officer (the "**CEO**"), the Chief Financial Officer (the "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

Mark Ayranto, Chairman and acting CEO since July 1, 2014, Richmond Graham, past President and CEO, and David Rutt CFO and Corporate Secretary, are each an "NEO" of the Corporation for purposes of the following disclosure.

#### **Compensation Discussion & Analysis**

##### ***Objectives of Compensation Policy***

The objectives of the Corporation's executive compensation policy are to:

- attract, retain and motivate executives critical to the success of the Corporation;
- provide fair, competitive and cost effective compensation programs to its executives;
- link the interests of management with those of the holders of Common Shares; and
- provide rewards for outstanding corporate and individual performance.

##### ***Elements of Compensation***

Compensation is composed of a monthly payment and long-term incentive compensation, which is provided through the granting of stock options of the Issuer.

##### ***Rationale Behind the Granting of Stock Options***

The Issuer grants stock options in order to motivate executives to achieve longer-term sustainable business results, align their interest with those of the shareholders of the Issuer and attract and maintain executives.

##### ***Determination of Compensation***

The Issuer has previously granted options to the founders of the Corporation. Currently, the Issuer considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares of the Issuer in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment and potential for contributions of the Named Executive Officers in determining the level of incentive stock option compensation.

Compensation is determined by the Compensation Committee which is comprised of Mark Ayranto and two independent directors, Tara Christie and Gregory Melchior.

**General**

Prior to February 15, 2013, the Corporation was classified as a "capital pool company" or "CPC" in accordance with the policies of the TSXV and did not conduct any active business operations. As such no compensation was paid to any NEO prior to February 15, 2013 except in the form of stock options in 2011.

The NEOs were compensated for their services as executive officers of the Corporation commencing in March 2013. On January 31, 2014, the Corporation granted a total of 550,000 stock options to its directors and 100,000 to its CFO (a total of 350,000 stock options to the NEOs). These options are exercisable until January 31, 2019 at an exercise price of \$0.05 per Common Share. The exercise price of the stock options was established by the Corporation's directors in accordance with the policies of the TSXV and was based on the initial public offering price of the Corporation's shares. The options were granted pursuant to the Stock Option Plan of the Corporation. See disclosure under heading "Incentive Plan Awards".

175,000 additional options were granted to the VP Exploration and an advisor to the Corporation in the fiscal year ended 2014.

**Summary Compensation Table**

The compensation paid to the NEOs during the Corporation's three most recently completed financial years of September 30, 2014, September 30, 2013 and September 30, 2012 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Mark Ayranto Chairman, Acting CEO as of July 1, 2014 <sup>(3)</sup>	2014	Nil	-	\$4,913	-	-	-	-	\$4,913
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richmond Graham President and CEO until June 30, 2014 <sup>(4)</sup>	2014	Nil	-	\$4,913	-	-	-	\$42,000	\$46,913
	2013	Nil	-	-	-	-	-	\$49,000	\$49,000
	2012	Nil	-	-	-	-	-	-	-
David Rutt, CFO & Corporate Secretary	2014	Nil	-	\$3,930	-	-	-	\$42,000	\$45,930
	2013	Nil	-	-	-	-	-	\$24,500	\$24,500
	2012	Nil	-	-	-	-	-	-	-

Note:

- (1) The estimated grant date fair value of these options was \$0.0393 per option, determined using the Black Scholes option pricing model.
- (2) Richmond Graham (Mayson Management Inc.) and David Rutt (1195472 Ontario Ltd.) were both paid consulting fees billed through their Management Companies.
- (3) Mark Ayranto has been acting CEO since July 2014. He was granted options in January 2014 for his role as a director more appropriately described under the heading Director Compensation.
- (4) Richmond Graham stepped down as President & CEO on June 30, 2014. He continues to remain as a Director.

The following table discloses the particulars of the option based awards outstanding for the NEOs as at September 30, 2014:

Option-based Awards				
Name	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$) <sup>(3)</sup>
Mark Ayranto	83,350 <sup>(1)</sup>	\$0.15	January 25, 2021	Nil
	125,000 <sup>(2)</sup>	\$0.05	January 31, 2019	Nil
Richmond Graham	83,350 <sup>(1)</sup>	\$0.15	January 25, 2021	Nil
	125,000 <sup>(2)</sup>	\$0.05	January 31, 2019	Nil
David Rutt	83,350 <sup>(1)</sup>	\$0.15	January 25, 2021	Nil
	100,000 <sup>(2)</sup>	\$0.05	January 31, 2019	Nil

Note:

- (1) These options were granted during the year ended September 30, 2011.
- (2) There options were granted during the year ended September 30, 2014.
- (3) "In-the-Money Options" means the excess of the market value of the Corporation's shares on September 30, 2014 over the exercise price of the options.

There were no vesting provisions on the options granted.

#### ***Other Compensation Matters***

The Corporation has no pension plans in place. In addition, the Corporation does not have any employment contracts with any NEO, all billings are done on a month by month basis. In addition, there are no compensatory plans, contracts or arrangements in place with any NEO resulting from the resignation, retirement or any other termination of employment of any NEO with the Corporation or from a change in control of the Corporation or a change in any NEO's responsibilities following a change in control.

#### **Director Compensation**

The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

No amounts were paid to any director of the Corporation during the fiscal year ended September 30, 2014 for services as a consultant or expert for professional services except to Richmond Graham for his past position of President and CEO.

***The following table sets out the outstanding option based awards held by the directors who are not NEO as at September 30, 2014:***

Option-based Awards for Directors other than NEO				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$)
Tara Christie	100,000	\$0.05	January 31, 2019	Nil
Gregory Melchoir	100,000	\$0.05	January 31, 2019	Nil
Jay Collins	100,000	\$0.05	January 31, 2019	Nil

Note: There are no vesting provisions on the options outstanding.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has a share option plan approved by the Board (the "**Plan**"), which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the directors of the Corporation and provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants and other key personnel of the Corporation or a subsidiary of the Corporation. Under the Plan a maximum of 10% of the issued and outstanding Common Shares of the Corporation, at any time, are reserved for issuance on the exercise of stock options. The options have no vesting period, except as determined by the Board. All options expire on a date not later than ten years after the issuance of such option. The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2014.

### Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options as at September 30, 2014	Weighted-average exercise price of outstanding options as at September 30, 2014	Number of securities remaining available for future issuance under equity compensation plans as at September 30, 2014
Equity compensation plans approved by securityholders - the Plan	1,448,400	\$0.0733	373,350
Equity Compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,448,400	\$0.0733	373,350

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended September 30, 2013, or has any interest in any material transaction in the current year other than as set out herein and in a document previously disclosed to the public.

## MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Rolling Stock Option Plan

Pursuant to the policies of the TSXV, a listed company is required to have an option plan in place if it intends to grant any options.

On March 15<sup>th</sup>, 2012, the Board approved the adoption of a new share option plan (the "**Plan**") in order to comply with the current policies of the TSXV and to increase the flexibility of the Corporation to provide incentives to directors, officers, employees, management and others who provide services to the Corporation. This was subsequently ratified by shareholders on April 30, 2012 and re-ratified on June 4, 2014. The Plan is a 10% maximum rolling plan and pursuant to the policies of the TSXV, the Plan requires shareholder approval by ordinary resolution at every annual meeting of the Corporation while the Plan is in effect.

The following is a summary of the terms of the plan:

A maximum of 10% of the issued and outstanding Shares of the Corporation at the time an option is granted are reserved for options to be granted at the discretion of the Board to eligible optionees (an "**Optionee**").

The Plan is subject to the following restrictions:

- (a) The Corporation must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any twelve (12) month period that exceeds five percent (5%) of the outstanding shares, unless the Corporation has obtained by a majority of the votes cast by the shareholders of the Corporation eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("**Disinterested Shareholder Approval**");
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any twelve (12) month period must not exceed two percent (2%) of the outstanding Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) The Corporation must not grant an option to a consultant in any twelve (12) month period that exceeds two percent (2%) of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of Shares reserved for issuance under options granted to insiders must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (e) The number of Shares issued for option to insiders in any twelve (12) month period must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a twelve (12) month period of a number of Shares must not exceed five percent (5%) of outstanding Shares unless the Corporation has obtained Disinterested Shareholder Approval to do so; and
- (g) The exercise price of an option previously granted to an insider must not be reduced, unless the Corporation has obtained Disinterested Shareholder Approval to do so.
- (h)

***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) For options granted to Service Providers, the Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;

- (d) an Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Corporation or its affiliates during the vesting period;
- (i) the Corporation, may from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Common Shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Plan also provide that the Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;
- (v) make such amendments as may otherwise be permitted by the TSXV Policies;
- (vi) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

A copy of the Plan will be available for inspection at the Meeting.

### **Shareholder Approval**

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the Plan dated for reference March 15, 2012, with or without variation, as follows:

"Be It Resolved, that:

- 1) the Share Option Plan of the Company, first approved by the shareholders of the Company on April 30, 2012, as more fully described in the Company's Management Information Circular, be and is hereby renewed and approved as the stock option plan of the Company; and
- 2) to the extent permitted by law, the Corporation be authorized to abandon all or any part of the Plan if the Board deems it appropriate and in the best interest of the Corporation to do so; and
- 3) any one or more of the directors and officers of the Corporation be authorized to perform all such acts, deeds, and things and execute, under the seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution."

An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

We believe the Plan provides incentive to and enables us to better align the interests of our directors and officers with those of our shareholders. **The Board recommends that shareholders vote FOR the resolution approving the Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving the Plan.**

### **SHAREHOLDER MEETINGS OUTSIDE OF ALBERTA**

Pursuant to Section 131 of the *Business Corporations Act* (Alberta), meetings of the Shareholders must be held at the place in the Province of Alberta specified in the bylaws of the Corporation unless the articles of the Corporation permit meetings of Shareholders to be held outside of Alberta. The current articles of the Corporation do not authorize the Corporation to hold meetings of Shareholders outside of the Province of Alberta.

As a publicly listed company and reporting issuer in four provinces, the Corporation has shareholders across Canada, the United States and Europe. The Corporation also maintains offices in Vancouver and holds exploration permits in the Yukon. The board of directors is of the view that being limited to one jurisdiction in which it can hold a shareholder meeting is not consistent with the geographic diversity of its Shareholders. As a result, the directors of the Corporation believe it is in the best interests of the Corporation to amend the articles to authorize the directors to hold meetings of the Shareholders outside of the Province of Alberta.

Accordingly, at the Meeting, Shareholders will be asked to approve, a special resolution as follow:

"BE IT HEREBY RESOLVED, as a special resolution of the shareholders, that :

1. Pursuant to section 131 (4) of the *Business Corporations Act* (Alberta), the Articles of Banyan Gold Corp. (the "Corporation") be amended to permit shareholder meetings to be held outside the Province of Alberta at such places as may be determined by the Board of Directors.
2. Any director or officer of the Corporation be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by this special resolution, including but not limited to, the filing of articles of amendment under the *Business Corporations Act* (Alberta)."

The resolution to approve the amendment of the articles of the Corporation must be approved by at least 66 2/3% of the aggregate votes cast by the shareholders who vote in person or by proxy at the meeting in respect of the resolution.

**The Directors recommend that the Shareholders vote "FOR" of the resolution to approve the amendment of the articles of the Corporation.**



### CONFIRMATION OF CHANGES TO THE CORPORATIONS BYLAWS

On April 4, 2015, the Board passed a resolution replacing section 2.1 of the bylaws (the "**Amended Bylaws**") subject to confirmation of such Amended Bylaws by shareholders of the Corporation. The amended bylaws have been updated to reflect common current corporate practices, relative to those that in place when the Corporations bylaws were originally established.

"BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of the Corporation, that :

1. Pursuant to section 102 of the *Business Corporations Act* (Alberta), Section 2.1 the Bylaws of Banyan Gold Corp. (the "Corporation") be amended to the following:

"Section 2.1 Place and Time of Meetings

Subject to the Act, meetings of the shareholders shall be held at such time and on such day as determined by the Board and shall be held as provided for in the articles, or failing any reference in the articles, at such place in Alberta as the board may determine."

2. Any director or officer of the Corporation be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

The above resolution must be approved by a simple majority of votes cast by shareholders who vote in person or by proxy at the Meeting in respect of this resolution. It is the intention of management to vote proxies "FOR" approval of the ordinary resolution above, unless otherwise directed.

### ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements for the year September 30, 2014 and 2013, the auditor's report and related management discussion and analysis, a copy of which is filed on [www.sedar.com](http://www.sedar.com). Copies of the Corporation's most current interim financial statements and the accompanying management discussion and analysis may be obtained from [www.sedar.com](http://www.sedar.com). A copy of the financial statements material is also available upon request from the Corporation's Chief Executive Officer at the office of the Corporation, telephone number: (403) 450-8450, fax number: (403) 450-8450.

### OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this management proxy circular.

### SHAREHOLDER PROPOSALS

Pursuant to Alberta law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2015 annual meeting of the Corporation must be received by the Secretary of the Corporation on or before the close of business on September 30, 2015.

### DIRECTORS' APPROVAL

The contents of this management proxy circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

**DATED** at Calgary, Alberta, May 1, 2015.

### THE BOARD OF DIRECTORS

**"Mark Ayranto"**

**Mark Ayranto**  
**Executive Chairman**

## SCHEDULE A

### BANYAN GOLD CORP. (the "Corporation")

#### AUDIT COMMITTEE CHARTER

##### 1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform their role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Corporation's business, operations and risks.

##### 2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

##### 2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

##### 2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

##### 3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

##### 4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

##### 4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### **4.3 Financial Reporting**

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### *Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### *Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

#### **4.4 Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

##### *Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

##### *De-Minimis Non-Audit Services*

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

##### *Pre-Approval Policies and Procedures*

- (b) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### **4.5 Other Responsibilities**

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### **4.6 Reporting Responsibilities**

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

#### **5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

#### **6. Guidance — Roles & Responsibilities**

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

##### **6.1 Internal Control**

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

##### **6.2 Financial Reporting**

*General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

- (c) understand industry best practices and the Corporation's adoption of them.

***Annual Financial Statements***

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

***Interim Financial Statements***

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

**6.3 Compliance with Laws and Regulations**

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

**6.4 Other Responsibilities**

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.