

## NAPIER VENTURES INC.

### INFORMATION CIRCULAR FOR THE ANNUAL GENERAL MEETING OF THE HOLDERS OF COMMON SHARES TO BE HELD ON DECEMBER 22, 2014

(as at November 20, 2014, unless indicated otherwise)

#### SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Napier Ventures Inc. (the “**Company**”) for use at the annual general meeting of the shareholders of the Company to be held at Suite 1000 – 840 Howe Street, Vancouver, British Columbia, V6Z 2M1 at 10:00 a.m. on December 22, 2014 (the “**Meeting**”), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

#### APPOINTMENT AND REVOCATION OF PROXY

##### Registered Shareholders

**Registered shareholders may vote their common shares by attending the Meeting in person or by completing the enclosed proxy.** Registered shareholders should deliver their completed proxies to Computershare Investor Services Inc., 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.**

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the registered office of the Company, 1000 – 840 Howe Street, Vancouver, British Columbia, V6Z 2M1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof,

- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

### Beneficial Shareholders

**The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name.** Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "**VIF**"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "**Meeting Materials**") directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs. The Company does not intend for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless the Intermediaries assume the cost of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's shares on the Beneficial Shareholder's behalf. For this to occur, it is

important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

## **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly

brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the approval of the Stock Option Plan (as defined herein):

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

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

The authorized capital of the Company consists of an unlimited number of common shares. On November 20, 2014 (the "**Record Date**"), the Company had 22,544,960 common shares outstanding. All common shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the common shares of the Company, other than:

<b><u>Name of Shareholder</u></b>	<b><u>Number of Common Shares Owned</u></b>
CDS & Co	6,708,400
Michael Rafferty	3,953,320
Donald Scoretz	6,666,640

As at the Record Date, the directors and officers of the Company beneficially own, directly or indirectly, 11,719,960 Common Shares, being 51.98% of the issued and outstanding Common Shares of the Company.

## ELECTION OF DIRECTORS

The board of directors of the Company (the “**Board**”) currently consists of five (5) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at five (5). At the Meeting, the shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting, at five (5).

Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the articles of the Company, unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company’s articles. **It is the intention of the management designees, if named as proxy, to vote FOR the election of the persons listed in the table below to the Board of Directors.**

Management has no reason to believe that any of such nominees will be unable to serve as directors; however, if, for any reason one or more of the proposed nominees do not stand for election or are unable to serve as directors, the management designees named in the enclosed form of proxy intend to vote for another nominee or nominees, as the case may be, in their discretion, unless the shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting in the election of directors.

The following table sets out information in respect of each of the nominees for director of the Company, and is based on information received by the Company from said nominees.

<b>Name, Municipality of Residence and Position</b>	<b>Present and Past Principal Occupations</b>	<b>Director Since</b>	<b>Number of Common Shares Owned Directly or Indirectly<sup>(2)</sup></b>
HARI NESATHURAI  <i>President, CEO &amp; Director</i> Toronto, Ontario	<i>Attorney, C2 Global Law LLP</i>	November 25, 2011	80,000 (<1%)
MICHAEL RAFTERY <sup>(1)</sup>  <i>CFO, Secretary and Director</i> Vancouver, British Columbia	President of Hamilton Investments Ltd., a company providing accounting and regulatory compliance services to public listed companies	March 6, 2007	3,953,320 (17.54%)
DANNY YU <sup>(1)</sup>  <i>Director</i> Vancouver, British Columbia	Retired Businessman	September 16, 2010	1,020,000 (4.52%)

Name, Municipality of Residence and Position	Present and Past Principal Occupations	Director Since	Number of Common Shares Owned Directly or Indirectly <sup>(2)</sup>
MARK T. NESBITT  <i>Director</i> Littleton, Colorado	<i>Attorney</i> , Fognani & Faught PLLC	November 25, 2011	Nil
DONALD SCORETZ <sup>(1)</sup>  <i>Director</i> North Vancouver, British Columbia	Retired Businessman	March 6, 2007	6,666,640 (29.57%)

**Notes:**

(1) Members of the Audit Committee.

(2) In addition, an aggregate of 475,000 Common Shares are issuable to directors upon the exercise of outstanding stock options. See "Executive Compensation" below.

The above information, including information as to common shares beneficially owned, has been provided by the respective directors individually.

Other than as set forth below, no proposed director of the Company

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) was the subject:
    - (A) of a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to:
    - (A) a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

after the proposed director was acting in the capacity as director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Mr. Raftery was the CFO of Fairmile GoldTech Inc. ("**Fairmile**") until September 2014. On October 5, 2012, the British Columbia Securities Commission issued a cease trade order against Fairmile for failing to file required annual financial statements and related management's discussion and analysis. The cease trade order remains in effect and has not been revoked. On January 8, 2014, the Alberta Securities Commission issued a cease trade order against Fairmile failure to file required interim financial statements and related management's discussion and analysis. The cease trade order remains in effect and has not been revoked.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### ***Interpretation***

"Named executive officer" ("**NEO**") means:

- (a) a Chief Executive Officer ("**CEO**");
- (b) a Chief Financial Officer ("**CFO**");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Donald Scoretz (former President and former Chief Executive Officer), Michael Raftery (Chief Financial Officer, and former President and Chief Executive Officer) and Hari Nesathurai (President and Chief Executive Officer).

### ***Compensation Program Objectives***

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is a junior mineral exploration company involved in exploration and development of early-stage mineral properties and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

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

The executive compensation program consists of a combination of consulting fees and stock option incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The consulting fee of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

Stock options are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages



and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

***Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance***

Compensation of the NEOs of the Company is reviewed annually by the Board of Directors of the Company (the "Board"), which approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

The Board reviews from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that the majority of the Company's executive compensation will consist of options granted under the Stock Option Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other element of compensation, consulting fees, represents the remaining portion of an executive's total compensation. While consulting fees are not "long term" or "at risk", as noted above, this component of compensation is not anticipated to form a significant part of total compensation and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## **Consulting Fees**

Consulting fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

## **Stock Options**

The Company has established Stock Option Plan under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the incentive stock option plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Plan refer to "Particulars of Matters to be Acted On – Stock Option Plan."

The Board makes these determinations subject to the provisions of the incentive stock option plan and, where applicable, the policies of the Exchange.

Previous grants of option-based awards are taken into account when considering new grants.

## **Link to Overall Compensation Objectives**

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program. The granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

**Summary Compensation Table**

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its subsidiaries for services in all capacities to the Company during the three most recently completed financial years:

<i>Name and principal position</i>	<i>Year</i>	<i>Salary (\$)</i>	<i>Share-based awards (\$)</i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>		<i>Pension value (\$)</i>	<i>All other compensation (\$)</i>	<i>Total compensation (\$)</i>
					<i>Annual incentive plans</i>	<i>Long-term incentive plans</i>			
Donald Scoretz <sup>(1)</sup> , <i>former President and former CEO</i>	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	9,378	Nil	Nil	Nil	Nil	9,378
Michael Raftery <sup>(2)</sup> , <i>CFO, formerly, President and CEO</i>	2014	Nil	Nil	Nil	Nil	Nil	Nil	36,000	36,000
	2013	Nil	Nil	Nil	Nil	Nil	Nil	36,000	36,000
	2012	Nil	Nil	9,378	Nil	Nil	Nil	Nil	9,378
Hari Nesarathurai <sup>(3)</sup> , <i>President and CEO</i>	2014	Nil	Nil	3,241	Nil	Nil	Nil	Nil	3,241
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) appointed as President and CEO on February 8, 2012 and resigned on December 10, 2012

(2) resigned as President and CEO on February 8, 2012

(3) appointed as President and CEO on December 10, 2012

**Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Donald Scoretz	499,998	\$0.11	September 11, 2014	Nil	--	--
Michael Raftery	499,998	\$0.11	September 11, 2014	Nil	--	--
Hari Nesathurai	237,500	\$0.135	January 30, 2015	Nil	--	--

(1) This represents the closing price of the Company's shares on the Exchange (being \$0.105) on the Record Date less the per option exercise price.

**Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year**

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Donald Scoretz	n/a	n/a	n/a
Michael Raftery	n/a	n/a	n/a
Hari Nesathurai	3,241	n/a	n/a

**Pension Plan Benefits – Defined Benefits Plan**

The Company does not have a Defined Benefits Pension Plan.

**Pension Plan Benefits – Defined Contribution**

The Company does not have a Defined Contribution Pension Plan.

**Termination and Change of Control Benefits**

During the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to an NEO, at, following or in connection with

any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

**Director Compensation**

***Director Compensation Table***

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company (other than those directors who are also NEOs) for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Danny Yu	--	--	--	--	--	--	--
Mark T. Nesbitt	--	--	3,241	--	--	--	●

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

***Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company (other than the NEOs):

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Danny Yu	499,998	\$0.11	September 11, 2014	Nil	--	--
Mark T. Nesbitt	237,500	\$0.135	January 30, 2015	Nil	--	--

(1) This represents the closing price of the Company’s shares on the Exchange (being \$0.105) on the Record Date less the per option exercise price.

**Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year**

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company (other than the NEOs) during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Danny Yu	n/a	n/a	n/a
Mark T. Nesbitt	3,241	n/a	n/a

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,074,994	\$0.11	179,502
Equity compensation plans not approved by securityholders	--	--	--
Total	2,074,994	\$0.11	179,502

**CORPORATE GOVERNANCE**

***Board of Directors***

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the responsibilities of the Board include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. The Board believes that good corporate governance practices provide an important framework for timely response by the Board to situations that may directly affect shareholder value. The Board is committed to

practicing good corporate governance, and has adopted a corporate governance manual which contains numerous guidelines to help it practice good corporate governance.

### *Board Independence*

The Board must have the capacity, independently of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgement with a view to the best interests of the Company. To facilitate independence, the Company is committed to the following practices:

1. The recruitment of strong, independent directors.
2. A majority of the directors being independent.
3. All committees of the Board being constituted of a majority of independent directors.

Of the five existing and proposed directors of the Company, Danny Yu, Donald Scoretz and Mark T. Nesbitt are independent. The remaining directors, Hari Nesathurai and Michael Raftery, are not independent because they are deemed to have a material relationship with the Company, by virtue of Hari Nesathurai being the President and Chief Executive Officer, and Michael Raftery being the Chief Financial Officer of the Company.

### *Other Directorships*

The directors and proposed directors of the Company are also directors of the following other reporting issuers:

<u>Name</u>	<u>Reporting Issuer</u>
Michael Raftery	KFG Resources Ltd. Paloma Resources Inc.

### *Orientation and Continuing Education*

New directors of the Company are provided with an orientation and education program which includes written information about the duties and obligations of directors, the business and operations of the Company, documents from recent board meetings and opportunities for meetings and discussion with senior management and other directors. Specific details of the orientation of each new director are tailored to that director's individual needs and areas of interest.

The Company also provides continuing education opportunities to directors so that they may maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Company's business remains current.

### *Ethical Business Conduct*

The Board follows a general code of business conduct and ethics which is intended to establish the principles of conduct and ethics to be followed by the Company's directors, officers and employees, the purpose of which is to:

1. Promote integrity and deter wrongdoing.

2. Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
3. Promote avoidance or absence of conflicts of interest.
4. Promote full, fair, accurate, timely and understandable disclosure in public communications made by the Company.
5. Promote compliance with applicable governmental laws, rules and regulations.
6. Provide guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.
7. To help foster a culture of integrity, honesty and accountability throughout the Company.

#### *Nomination of Directors*

The Board as a whole is responsible for identifying and evaluating qualified candidates for nomination to the Board.

In identifying candidates, the Board considers the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

#### *Compensation*

The Board is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board evaluates the performance of senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

#### *Other Board Committees*

The Board of Directors has not established any committees other than the Audit Committee.

#### *Assessments*

The Board as a whole is responsible for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and contributions of individual directors on an annual basis. The objective of this annual review will be to facilitate a continuous improvement in the execution of the responsibilities of the Board.

### **AUDIT COMMITTEE**

#### *General*

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed



and reviewing all audit processes and the systems of internal controls that management and the Board have established.

#### *Audit Committee Charter*

The Board of Directors has adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Circular.

#### *Composition*

The Audit Committee consists of the following three directors. Also indicated is whether they are 'independent' and 'financially literate'.

<b>Name of Member</b>	<b>Independent <sup>(1)</sup></b>	<b>Financially Literate <sup>(2)</sup></b>
Michael Raftery	No	Yes
Danny Yu	Yes	Yes
Donald Scoretz	Yes	Yes

<sup>(1)</sup> A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.

<sup>(2)</sup> A member of the Audit Committee is financially literate if he or she has 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 reasonably be expected to be raised by the Company's financial statements.

The majority of the Audit Committee are currently independent.

#### *Audit Committee Oversight*

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of Directors.

#### *Reliance on Certain Exemptions*

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110 the Audit Committee must pre-

approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

*External Auditor Service Fees (By Category)*

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
March 31, 2014	\$14,500	Nil	\$3,000	Nil
March 31, 2013	\$14,500	Nil	Nil	Nil
March 31, 2012	\$16,000	Nil	Nil	Nil

<sup>(1)</sup> *The aggregate fees billed by the Company's auditor for audit fees.*

<sup>(2)</sup> *The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.*

<sup>(3)</sup> *The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.*

<sup>(4)</sup> *The aggregate fees billed for professional services other than those listed in the other three columns.*

*Exemption*

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

**APPOINTMENT OF AUDITOR**

The Company recommends that MNP LLP ("**MNP**") of Vancouver, British Columbia, be appointed as auditors of the Company for the ensuing year until the next annual meeting of shareholders. MNP was first appointed auditors of the Company for the year ended March 31, 2011, during the Company's Annual General and Special Meeting on November 25, 2011.

**The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of MNP as auditors of the Company,** at a remuneration to be fixed by the Board, unless a shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the appointment of auditors.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Stock Option Plan**

The directors of the Company have approved the Company's current stock option plan (the "**Stock Option Plan**"). Under the Stock Option Plan, the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to five years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised 90 days following cessation of the optionee's position with the Company, providing that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Management of the Company believes that it would be in the interests of the Company to adopt the Stock Option Plan to develop the interests of directors, officers and consultants of the Company in the growth and development of the Company by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Company.

Pursuant to the Stock Option Plan, the Company has authorized the reservation of up to 10% of the issued and outstanding common shares of the Company for the grant of options from time to time. As of the date of this Information Circular, the total number of options outstanding is 575,000.

The Stock Option Plan is subject to approval by the Exchange and subject to approval by the shareholders of the Company, as required by the rules of the Exchange. **If named as proxy, the management designees intend to vote the Common Shares represented by such proxy FOR approval of the Stock Option Plan, unless otherwise directed in the form of proxy.**

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

**"BE IT RESOLVED THAT:**

- (a) the incentive stock option plan of the Company, as described in the Information Circular of the Company dated November 20, 2014 be and is hereby ratified and approved;

- (b) any one director or officer of the Company 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 the Company or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing; and
- (c) the directors of the Company may revoke this resolution before it is acted upon without further approval of the shareholders.”

**The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the holders of Common Shares. If the Stock Option Plan is not approved by the shareholders, the Company will have to consider other methods of compensating and providing incentives to directors, officers and consultants.**

#### **OTHER MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

#### **ADDITIONAL INFORMATION**

Additional information on the Company is available on the internet on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s financial statements and management discussion and analysis which are available on SEDAR. The audited financial statements for the year ending March 31, 2014 together with the auditor’s report will be presented at the Meeting. You may request copies of the Company’s financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED November 20, 2014.

BY THE MANAGEMENT OF  
NAPIER VENTURES INC.

*“Hari Nesathurai”*

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Hari Nesathurai  
President, Chief Executive Officer and Director

## SCHEDULE A

### The Audit Committee's Charter

#### 1. MANDATE

1) The primary mandate of the audit committee (the "Audit Committee") of the Board of Directors the Company (the "Board") is to assist the Board in overseeing the Company's financial reporting and disclosure. This oversight includes:

- (A) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- (B) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; and
- (C) monitoring the independence and performance of the Company's external auditors and reporting directly to the Board on the work of the external auditors.

#### 2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

2.1 The Audit Committee must have at least three directors.

2.2 The majority of the Audit Committee members must be independent. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment.<sup>1</sup>

2.3 Every Audit Committee member must be financially literate. Financial literacy 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 reasonably be expected to be raised by the issuer's financial statements.<sup>2</sup>

2.4 The Board will appoint from themselves the members of the Audit Committee on an annual basis for one year terms. Members may serve for consecutive terms.

2.5 The Board will also appoint a chair of the Audit Committee (the "Chair of the Audit Committee") for a one year term. The Chair of the Audit Committee may serve as the chair of the committee for any number of consecutive terms.

2.6 A member of the Audit Committee may be removed or replaced at any time by the Board. The Board will fill any vacancies in the Audit Committee by appointment from among members of the Board.

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<sup>1</sup> National Instrument 52-110 *Audit Committees* section 1.4

<sup>2</sup> National Instrument 52-110 *Audit Committees* section 1.5

### 3. *MEETINGS*

**3.1** The Audit Committee will meet at least four (4) times per year. Special meetings may be called by the Chair of the Audit Committee as required.

**3.2** Quorum for a meeting of the Audit Committee will be two (2) members in attendance.

**3.3** Members may attend meetings of the Audit Committee by teleconference, videoconference, or by similar communication equipment by means of which all persons participating in the meeting can communicate with each other.

**3.4** The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

**3.5** Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee. Minutes of each meeting must be distributed to members of the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

### (II) 4. *RESPONSIBILITIES OF THE COMMITTEE*

**4.1** The Audit Committee will perform the following duties:

#### *External Auditor*

- (a) select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements;
- (b) evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- (c) obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;
- (d) recommend to the Board, if necessary, the replacement of the external auditor;
- (e) meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- (f) pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services;

*Financial Statements and Financial Information*

- (g) review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;
- (h) review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- (i) review and recommend to the Board for approval the financial content of the annual report;
- (j) review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- (k) review the Company's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Company publicly discloses this information;
- (l) review annually with external auditors, the Company's accounting principles and the reasonableness of managements judgments and estimates as applied in its financial reporting;
- (m) review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

*Risk Management, Internal Controls and Information Systems*

- (n) review with the external auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls;
- (o) review adequacy of security of information, information systems and recovery plans;
- (p) review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- (q) review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- (r) discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;
- (s) assisting management to identify the Company's principal business risks;
- (t) review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

*Other*

- (u) review Company loans to employees/consultants; and
- (v) conduct special reviews and/or other assignments from time to time as requested by the Board.

## 5. *PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS*

**5.1** The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.

**5.2** The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

## 6. *REPORTING*

**6.1** The Audit Committee will report to the Board on:

- (a) the external auditor's independence;
- (b) the performance of the external auditor and the Audit Committee's recommendations;
- (c) regarding the reappointment or termination of the external auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

## 7. *AUTHORITY OF THE COMMITTEE*

**7.1** The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.

**7.2** The external auditor will report directly to the Audit Committee.