

Management Information Circular



MONGOLIA
GROWTH GROUP

MONGOLIA GROWTH GROUP LTD.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD
JUNE 15, 2015**

To the holders of Common Shares:

Notice is hereby given that the annual and special meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Mongolia Growth Group Ltd. (the "**Corporation**") will be held at First Canadian Place 100 King Street West, Suite 5600 Toronto, Ontario M5X 1C9, Canada, on June 15, 2015 at 2:00 p.m. (Eastern time) and at any or all adjournments thereof (the "**Meeting**"), for the following purposes:

1. To receive and consider the audited statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon; and
2. To consider, and if thought fit, to fix the number of directors of the Corporation for the ensuing year, or as otherwise authorized by the Shareholders, at six (6) members;
3. To elect the directors of the Corporation;
4. To approve the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation for the ensuing year at such remuneration as may be fixed by the board of directors (the "**Board**");
5. To consider and, if thought fit, to re-approve the share option plan of the Corporation;
6. To consider and, if thought fit, to re-approve the restricted stock award plan of the Corporation;
7. To transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting are described in further detail in the information circular of the Corporation dated May 20, 2015 accompanying this Notice.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 11, 2015. Shareholders of the Corporation whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his Common Shares after such date and the transferee of those Common Shares establishes that he owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

Management is soliciting proxies. Shareholders who are unable to attend the Meeting or any adjournment thereof in person and who wish to ensure that their Common Shares will be voted are requested to complete, date and sign the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the management information circular of the Corporation dated May 20, 2015 accompanying this Notice, and mail it to or deposit it with:

Computershare Investor Services Inc.
100 University Ave., 8th Floor
Toronto, ON M5J 2Y1
Tel: 1 800 564 6253

For the proxy to be valid, the duly completed and signed form of proxy must be received by not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment of the Meeting. A Shareholder may appoint as his, her or its proxy a person other than those named in the enclosed form of proxy. That person does not have to be a Shareholder.

Shareholders of the Corporation holding Common Shares registered in the name of a broker or other nominee should ensure that they make arrangements to instruct the broker or other nominee how their Common Shares are to be voted at the Meeting in order for their vote to be counted at the Meeting.

DATED at Calgary, Alberta this 20th day of May, 2015

BY ORDER OF THE BOARD OF DIRECTORS OF MONGOLIA GROWTH GROUP LTD.



Harris Kupperman
President and Chief Executive Officer

MONGOLIA GROWTH GROUP LTD.

Information Circular – Proxy Statement – May 20, 2015
(including information as at May 11, 2015 unless otherwise noted)

For the Annual and Special Meeting
of Shareholders of Mongolia Growth Group Ltd.
to be held on June 15, 2015

Solicitation of Proxies

This Information Circular is furnished by the management of Mongolia Growth Group Ltd. (the "**Corporation**") to the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the "**Meeting**") to be held at 100 King Street West, Suite 5600, Toronto, Ontario M5X 1C9, Canada, (Eastern time) and at any adjournment thereof for the purposes set forth in the notice of meeting enclosed with this Information Circular (the "**Notice of Meeting**"). Only Shareholders of the Corporation of record on May 11, 2015, are entitled to notice of, to attend, and to vote at the Meeting, unless a Shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of Shareholders.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The enclosed form of proxy (the "**Proxy Form**") is solicited by the management of the Corporation. The persons named in the enclosed Proxy Form are directors and/or officers of the Corporation (the "**management designees**"). **As a Shareholder submitting a proxy you have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the person or persons designated in the Instrument of Proxy furnished by the Corporation. To exercise this right you should insert the name of the desired representative in the blank space provided in the Instrument of Proxy and strike out the other names or submit another appropriate proxy.** In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Ave., 8th Floor, Toronto, ON M5J 2Y1, not later than 2:00 p.m. (Toronto time) on the second last business day preceding the date of the Meeting or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution.

Advice to Beneficial Holders

The information set forth in this section is of significant importance to many Shareholders of the Corporation as some Shareholders do not hold their Common Shares in their own names ("Beneficial Shareholders**").** Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in

person or by way of proxy except as set forth below. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker often is identical to the Proxy Form provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting of shareholders. A Beneficial Shareholder receiving a voting instruction or proxy from Broadridge or another agent cannot use that proxy to vote Common Shares directly at the Meeting as the completed instruction or proxy must be returned as directed by Broadridge or another agent well in advance of the Meeting in order to have the Common Shares voted.

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

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your Broker or Agent well in advance of the Meeting to determine how you can do so.

Revocability of Proxy

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 Olympia Trust Company, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the 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 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.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the Proxy Form, Notice of Meeting and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated

therefor. The Corporation will not be providing the Notice of Meeting, Information Circular, or the Proxy Form to registered Shareholders or Beneficial Shareholders through the use of notice-and-access, as such term is defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer.

Exercise of Discretion by Proxy

The persons named in the Proxy Form 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 Form 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 Form, the persons named in the Proxy Form will vote the Common Shares represented by the Proxy Form for the approval of such matter.

At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by completing, dating and signing the enclosed Proxy Form and returning it to the Corporation's transfer agent, Computershare, by fax at 1-866-249-7775, online at www.investorvote.com, or by mail or by hand to Proxy Department, 100 University Ave., 8th Floor, Toronto, ON M5J 2Y1.

The proxy must be 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. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the board of directors of the Corporation at its discretion without notice.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value. As of May 11, 2015, there were 35,489,436 Common Shares of the Corporation issued and outstanding. The board of directors has fixed May 11, 2015 as the record date (the "**Record Date**") for the determination of Shareholders entitled to notice of and to vote at the Meeting, and at any adjournment thereof, except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting not later than 10 days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting. Each Shareholder is entitled to one (1) vote in person or by proxy for each Common Share held on all matters to come before the Meeting.

To the best of the knowledge of the Corporation's directors and officers, other than Harris Kupperman, the Corporation's Executive Chairman, no person beneficially owns directly or indirectly, or exercise control or direction over, 10% or more of the votes attached to the Common Shares. Harris

Kupperman beneficially owns 5,155,000 Common Shares or 14.5% of the issued and outstanding Common Shares of the Corporation.

VOTES NECESSARY TO PASS RESOLUTIONS AT THE ANNUAL AND SPECIAL MEETING

A simple majority of affirmative votes cast at the Meeting by the Shareholders of the Corporation is required to pass the resolutions fixing the number of directors to be elected at the Meeting, electing directors, appointing the new auditor and re-approving the Corporation's share option plan and reapproving the Corporation's restricted stock award plan. 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.

QUORUM

Under the Corporation's by-laws, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person or represented by proxy holding or representing not less than 5% of the Common Shares entitled to be voted at the meeting. Under the Corporation's by-laws and the *Business Corporations Act* (Alberta) ("**ABCA**"), if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

PARTICULARS OF THE MATTERS TO BE ACTED UPON AT THE MEETING

1. FINANCIAL STATEMENTS

The Corporation's annual report and audited financial statements for the year ended December 31, 2014 (the "**2014 Financial Statements**") have been forwarded to Shareholders together with the Information Circular. No formal action will be taken at the Meeting to approve the financials, with the requirements of the ABCA having been met with the advance circulation of the 2014 Financial Statements. If Shareholders have questions respecting the financial statements, the questions will be addressed during the "Other Business" portion of the Meeting.

2. NUMBER OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of one (1) and a maximum of eleven (11). At the Meeting, the management of the Corporation proposes to elect six (6) directors. Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution:

"BE IT RESOLVED THAT the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the shareholders of the Corporation be and is hereby fixed at six (6)."

Unless otherwise directed, the management designees named in the accompanying Proxy Form intend to vote such proxies in favour of a resolution fixing the number of directors to be elected at the Meeting at six (6).

3. ELECTION OF DIRECTORS

Directors will be elected at the Meeting. The Corporation's board of directors (the "**Board**") presently consists of six (6) members. It is proposed that the Board will be fixed at six (6) members and the persons referred to in the table below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of Shareholders, or until his/her successor is duly elected or appointed, unless his office is vacated earlier.

It is the intention of the management designees, if named as proxy, to vote "FOR" the election of the following persons to the Board unless otherwise directed. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of that particular director.**

1	Harris Kupperman	2	Nick Cousyn
3	Jim Dwyer	4	Brad Farquhar
5	Byambaa Losolsuren	6	Robert Scott

Information regarding each director nominee, including their respective place of residence, occupation, committee memberships and security holdings, can be found below under Item 7 of this Information Circular under the heading "Other Business – Director Profiles".

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, while such person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No director or proposed director of the Corporation is, or has been within the ten years prior to the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity or within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to 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 that individual.

Penalties

No director or proposed director of the Corporation has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a policy (the "**Majority Voting Policy**") that will permit a Shareholder to vote for, or withhold from voting for, each director nominee separately. If a director nominee has more votes withheld than are voted in favour of him, such nominee will be expected to forthwith submit his resignation to the Board, effective on acceptance by the Board. The Board will review the resignation and will consider all factors deemed relevant, including, without limitation, the stated reason or reasons why Shareholders who cast "withhold" votes for the director did so, the qualifications of the director, including, without limitation, the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. The Majority Voting Policy does not apply in circumstances involving contested director elections. The full text of the Majority Voting Policy is attached hereto as Schedule "A".

4. APPOINTMENT OF AUDITORS

At the meeting, shareholders will be asked to pass an ordinary resolution appointing PricewaterhouseCoopers LLP, Chartered Accountants, Richardson Building, 1 Lombard Place, Suite 2300, Winnipeg, Manitoba, as auditors of the Corporation, to hold office until the next annual general meeting of Shareholders, or until its successors are elected or appointed and to authorize the directors to fix their remuneration as such.

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. Unless otherwise directed, the management designees named in the accompanying Proxy Form intend to vote IN FAVOUR of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be determined by the directors of the Corporation.

5. REAPPROVE THE STOCK OPTION PLAN

Re-Approval of Share Option Plan of the Corporation

The Shareholders will be asked to consider, and if deemed advisable, to re-approve the share option plan of the Corporation (the "**Option Plan**") attached as Schedule "C" to this Information Circular. The Shareholders will be asked at the Meeting to approve a resolution reapproving the Option Plan.

The Option Plan was first approved by the Board on March 9, 2011 and was re-approved by the shareholders of the Corporation at the Company's last annual general meeting held on June 12, 2014. The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, officers, directors and consultants of the Corporation with long-term equity-based performance incentives which are a key component of the Corporation's compensation strategy. The Corporation believes it is important to align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value.

The aggregate number of Common Shares issuable upon the exercise of all options granted under the Option Plan cannot exceed 10% of the issued and outstanding Common Shares. As of the Record Date, options to acquire **3,408,000** Common Shares are outstanding representing approximately **9.6%** of the then issued and outstanding Common Shares.

The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the Option Plan:

"BE IT RESOLVED THAT:

1. The share option plan of the Corporation, substantially in the form attached as Schedule "C" to the management information circular of the Corporation dated May 20, 2015, be and is hereby approved and adopted as the share option plan of the Corporation;
2. The form of the share option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The management designees, unless instructed otherwise, intend to vote to approve the Option Plan in substantially the form as attached as Schedule "C" to this Information Circular.**

6. REAPPROVE THE RESTRICTED STOCK AWARD PLAN

The Shareholders will be asked to consider, and if deemed advisable, to re-approve the restricted stock award plan of the Corporation (the "**RSA Plan**") attached as Schedule "B" to this Information Circular. The Shareholders will be asked at the Meeting to approve a resolution accepting proposed RSA Plan.

The RSA Plan is intended to provide the Board with the ability to issue restricted stock awards ("**RSAs**") to provide the employees, officers, directors and consultants of the Corporation with long-term equity-based performance incentives which are a key component of the Corporation's compensation strategy. The Corporation believes it is important to align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of RSAs whose value over time is dependent on market value.

The aggregate number of Common Shares issuable pursuant to the RSA Plan shall not exceed 200,000 Common Shares and will be subject to the aggregate limits set forth under the Option Plan, such that unvested Common Shares under the RSA Plan will be considered "Common Shares reserved for issuance" under the Share Option Plan.

The RSA Plan was first approved by the shareholders of the Corporation on June 7, 2013 and re-approved by shareholders at the last annual general meeting held on June 12, 2014. Subsequent to receiving shareholder approval, on April 23, 2015, at the request of the TSX Venture Exchange, the Corporation's Board of Directors amended the RSA plan to limit the number of RSAs that may be granted to any one participant, and to all Insiders in any 12-month period. The full text of the RSA plan, as amended, is attached as Schedule "B" to this Information Circular.

The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the RSA Plan:

"BE IT RESOLVED THAT:

1. The RSA plan of the Corporation, substantially in the form attached as Schedule "B" to the management information circular of the Corporation dated May 11, 2015, be and is hereby approved and adopted as the RSA plan of the Corporation;
2. The form of the RSA plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The management designees, unless instructed otherwise, intend to vote to approve the RSA Plan in substantially the form as attached as Schedule "B" to this Information Circular.**

7. OTHER BUSINESS

Director Profiles

The following is a brief description of the proposed nominees, including their principal occupation for the past five (5) years, all positions and offices with the Corporation held by them and the number of Common Shares that they have advised are beneficially owned, directly or indirectly, by them or over which control or direction is exercised by them, as at the Record Date.

As May 11, 2015, the present directors and officers of the Corporation beneficially own, directly and indirectly, or exercise control or direction over 5,400,950 Common Shares, being 15.2% of the issued and outstanding Common Shares.

Harris Kupperman



Mr. Kupperman is a co-founder of Mongolia Growth Group and has been the Executive Chairman of the Corporation since March 2014. Mr. Kupperman was the President and CEO of the Corporation from February 2011 to March 2014 and returned as CEO in December 2014. Mr. Kupperman publishes *AdventuresInCapitalism.com*; a site dedicated to uncovering unique opportunities around the world. He spent 10 years as President of Praetorian Capital, a macro themed small cap focused hedge fund based in Miami. He graduated from Tulane University College with a history degree. Mr. Kupperman served as a Director at Aeroquest International Limited (TSX:AQL) from 2010-2011.

	Committee Memberships			Other public company directorships in the past 5 years:	
Chairman	None			Aeroquest (2010-2011)	
Miami, Florida, USA Non-Independent Director since February 2011	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
	2014	5,155,000	48,000	48,000	48,000

Nick Cousyn



Mr Cousyn is a Capital Markets' professional with 15 years of alternatives and traditional industry experience. Before moving to Mongolia, Mr. Cousyn was a licensed securities professional in the U.S. with extensive experience in relationship management and trading which spanned equities, fixed income, derivatives and distressed debt. While based in the US, some of the firms he worked for included Deutsche Bank, Banque Populaire, Wells Fargo and First Horizon National Bank. Since 2012, Mr. Cousyn has served as Chief Operating Officer and head of research for BDsec (MO:BDS), Mongolia's largest broker and investment bank. Mr. Cousyn also serves as Co-Chair of the Business Council of Mongolia Capital Market Working Group and is a Senior Council Member and guest lecturer at Mongolia's Institute for Finance and Economics. Mr. Cousyn holds a BA in Economics from the University of California at Riverside.

	Committee Memberships			Other public company directorships in the past 5 years:	
Director	Compensation Committee (Chair), Nominating Committee			None	
Ulaanbaatar, Mongolia Independent Director since December 2014	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
	2014	0	75,000	75,000	75,000

Jim Dwyer



Mr. Dwyer was a New York-based investment banker specializing in mergers and acquisitions for 30 years and completed over 100 M&A transactions. In addition, he founded and managed M&A departments for two major investment banking firms: Shearson Loeb Rhoades and UBS-North America. Mr. Dwyer was Head of cross-border M&A for UBS, focused on European markets. Mr. Dwyer was also an M&A investment banker with Kidder Peabody, where he was deputy head of M&A for the first 4 years of the firm's organized M&A practice, and at Donaldson, Lufkin & Jenrette, where he was one of 4 Senior VP's in investment banking. Mr. Dwyer first visited Mongolia in 2001 to represent the Government of Mongolia as lead investment banker for the privatization of its largest bank, Trade & Development Bank, which was sold to a US metals trading entity. Thereafter, he served as lead investment banker for the privatization of the largest Government-owned retail bank, Khan Bank, which was sold to a Japanese brokerage entity. From 2003 to 2007, Mr. Dwyer was COO of the Mongolian branch of the North America-Mongolia Business Council. He co-founded the Business Council of Mongolia (BCM) and was appointed Executive Director upon its formation, in September 2007. Mr. Dwyer received his MBA from Columbia Graduate School of Business (Columbia University). He received a BBA in Accounting & English from the University of Notre Dame and qualified as a certified public accountant (CPA) with Touche Ross, a firm that is now part of Deloitte. Mr. Dwyer also serves as Chairman & President of Mongolia Education Foundation; and Chairman of Mongoljin Private Capital Limited, the Sponsor of the Mongolia Development Finance Fund.

Director	Committee Memberships			Other public company directorships in the past 5 years:	
	Nominating Committee (Chair), Audit Committee			None	
Ulaanbaatar, Mongolia	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
Independent Director since December 2014	2014	0	75,000	75,000	100,000

Brad Farquhar



Mr. Farquhar is Executive Vice-President and Chief Financial Officer of Input Capital Corp. (TSXV: INP), the world's first agricultural streaming company. He also serves in a similar capacity at Assiniboia Capital Corp., which manages a 140,000 acre portfolio of farmland on behalf of one of the world's largest institutional investors. In addition, Mr. Farquhar is President of Nomad Mongolia LP, an investment partnership that invests in Mongolian public companies, including MGG. Mr. Farquhar is a trained financial planner. He received a MPA in Electoral Governance from Griffith University in Australia, studied political science at Carleton University, and completed a BA at Providence College. Mr. Farquhar is a Director of Input Capital Corp, Greenfield Carbon Offsetters Inc., on the advisory board of AgFunder.com and Chair of the board of directors of SIM Canada.

Director	Committee Memberships			Other public company directorships in the past 5 years:	
	Compensation Committee, Nominating Committee			Input Capital Corp: TSXV	
Regina, Saskatchewan, Canada	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
Independent Director since December 2014	2014	54,400 ¹	75,000	75,000	75,000

1. 50,000 of Mr. Farquhar's Common Shares are indirectly held by Nomad Mongolia LP, where Mr. Farquhar is a General Partner and controls 100% of the shares.

Byambaa Losolsuren



Mrs. Losolsuren is a founder and CEO of the Trend Capital LLC, investment advisory firm. In the past, she was one of the key partners at UMC to launch and build Mandal financial services group being in charge of asset management arm. She managed three local investment funds under Mandal Asset Management. Ms. Losolsuren worked on investment deals in finance, health, IT, urban development and financial services industries. She holds extensive experience in the Mongolian finance industry having worked for the Asian Development Bank as an investment officer and as a consultant to the Financial Regulatory Commission (FRC) in Mongolia. She was instrumental in drafting of the Investment Fund law of Mongolia, which was successfully passed by the Parliament in 2013. Ms. Losolsuren also serves as an independent director of the Mongolian Mortgage Corporation SPV and local insurance company. Also currently member of the Economic Council at the Prime Minister of Mongolia and a Director of the Investment and Finance Research Center. Columnist at the Mongolian Economy journal. She holds BA from the National University of Mongolia, and MBA degree from Waseda University, Japan.

	Committee Memberships			Other public company directorships in the past 5 years:	
	Audit Committee			None	
Director					
Ulaanbaatar, Mongolia	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
Independent Director since December 2011	2014	Nil	75,000	75,000	75,000

Robert Scott



Mr Scott, CA, CFA brings more than 20 years of professional experience in corporate finance, accounting and merchant and commercial banking. Mr. Scott earned his CFA in 2001, his CA designation in 1998 and has a B.Sc. from the University of British Columbia. He is a Founder and President of Corex Management Inc., a private company providing accounting, administration, and corporate compliance services to privately held and publicly traded companies. He has served on the management teams and boards of numerous Canadian resource companies with a strong track record of cost effectively running operations. Mr. Scott has also listed several companies on the TSX-V gaining extensive IPO, RTO, regulatory and reporting experience. Mr. Scott is currently the CFO of Riverside Resources (TSXV: RRI) and on the board of Entourage Metals (TSXV: EMT). During his tenure with Riverside Resources. In addition, Mr. Scott is a co-founder and director of privately held, Pan American Hydro Corporation, a developer of small hydro projects in Latin America.

	Committee Memberships			Other public company directorships in the past 5 years:	
	Audit Committee (Chair), Compensation Committee			Riverside Resources: TSXV, Entourage Metals, TSXV	
Director					
Vancouver, British Columbia, Canada	Year	Shares owned (#)	Options granted during the year (#)	Options vested during the year (#)	Options outstanding at record date (#)
Independent Director since December 2014	2014	27,500	75,000	75,000	75,000

Director Compensation

On December 15, 2014, four of the Company's five independent directors (Jordan Calonego, Bill Fleckenstein, John Shaw and resigned and were simultaneously replaced by four new independent directors (Nick Cousyn, Jim Dwyer, Brad Farquhar and Robert Scott).

On December 15, 2014, each new independent director received 75,000 options as an appointment bonus and the Director that had remained on the Board as an independent director was also granted 75,000 options as part of her annual compensation.

The four independent directors that left the Company as well as the former CEO have been authorized to retain their options until expiry as part of their consulting agreements following their departure.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2014 information concerning the compensation paid to our directors other than directors who are also Named Executive Officers.

	Year	Fees Earned	Share Based Awards (\$)	Option Based Awards (\$) ⁽¹⁾	Non- Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Jordan Calonego ²	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nick Cousyn ³	2014	Nil	Nil	\$50,120	Nil	Nil	Nil	\$50,120
Jim Dwyer ³	2014	Nil	Nil	\$50,120	Nil	Nil	Nil	\$50,120
Brad Farquhar ³	2014	Nil	Nil	\$50,120	Nil	Nil	Nil	\$50,120
William Fleckenstein ²	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Byambaa Losolsuren	2014	Nil	Nil	\$50,120	Nil	Nil	Nil	\$50,120
Robert Scott ³	2014	Nil	Nil	\$50,120	Nil	Nil	Nil	\$50,120
John Shaw ²	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sweeney ²	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- Options are valued using the Black-Scholes option pricing model with assumptions of no dividends during the exercise periods, stock volatility and a risk-free rate calculated on the date of grant.
- Resigned from the Board effective December 15, 2014
- Joined the Board effective December 15, 2014

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2014. The Corporation has not issued any share-based awards to directors.

Option-based Awards					Share- Based Awards		
Name	# of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of shares or units shares that have not vested	Market or payout value of share-based awards that have not vested (\$) ¹	Market or payout value of vested share-based awards not paid out or distributed (\$) ¹
Jordan Calonego ²	Nil	n/a	n/a	n/a	n/a	n/a	n/a
Nick Cousyn ³	75,000	\$1.09	9-Dec-19	Nil	Nil	Nil	Nil
Jim Dwyer ³	75,000	\$1.09	9-Dec-19	Nil	Nil	Nil	Nil
	25,000	\$4.13	3-Mar-16	Nil	Nil	Nil	Nil
Brad Farquhar ³	75,000	\$1.09	9-Dec-19	Nil	Nil	Nil	Nil
William Fleckenstein ²	48,000	\$1.90	3-Mar-19	Nil	Nil	Nil	Nil
Byambaa Losolsuren	75,000	\$1.09	9-Dec-19	Nil	Nil	Nil	Nil
Robert Scott ³	75,000	\$1.09	9-Dec-19	Nil	Nil	Nil	Nil
	75,000	\$4.13	1-Mar-16	Nil	Nil	Nil	Nil
John Shaw ²	48,000	\$1.90	3-Mar-19	Nil	Nil	Nil	Nil
Paul Sweeney ²	48,000	\$1.90	3-Mar-19	Nil	Nil	Nil	Nil

1. Calculated based on the difference between the market price on the TSXV of the Common Shares underlying the stock options at December 31, 2014 (\$0.74) and the exercise price of the Options.
2. Resigned from the Board effective December 15, 2014
3. Joined the Board effective December 15, 2014

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, the value of option-based awards which vested during the year ended December 31, 2014 and the value of non- equity incentive plan compensation earned during the year ended December 31, 2014. The Corporation did not have any share-based awards outstanding to Directors at the end of the most recently completed financial year.

Name	Option based awards – Value vested during the year ¹	Share based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Jordan Calonego ²	Nil	Nil	Nil
Nick Cousyn ³	Nil	Nil	Nil
Jim Dwyer ³	Nil	Nil	Nil
Brad Farquhar ³	Nil	Nil	Nil
William Fleckenstein ²	Nil	Nil	Nil
Byambaa Losolsuren	Nil	Nil	Nil
Robert Scott ³	Nil	Nil	Nil
John Shaw ²	Nil	Nil	Nil
Paul Sweeney ²	Nil	Nil	Nil

1. Calculated based on the difference between the market price of the Common Shares underlying the stock options at date of vesting and the exercise price of the Options.
2. Resigned from the Board effective December 15, 2014
3. Joined the Board effective December 15, 2014

EXECUTIVE COMPENSATION – Discussion and Analysis

Compensation Committee

The Board has formed the Corporation's compensation committee (the "**Compensation Committee**") responsible for reviewing the overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

All members of the Compensation Committee have the skills and experience to fulfill their responsibilities and to make decisions on the suitability of the Corporation's compensation policies and practices. They have developed skills and experience in making executive compensation decisions through serving on the boards of directors of public companies, serving on compensation committees of those boards of directors, advising on and drafting long- term incentive plans and working with compensation consultants and advisors in designing and implementing compensation programs for executive officers of public companies

This Committee meets at least once annually. The members of the Compensation Committee are Nick Cousyn, Brad Farquhar and Robert Scott, all of whom are independent. Nick Cousyn chairs this committee. These Directors have the responsibility for determining compensation for the directors and senior management.

Named Executive Officer Compensation ("NEO")

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy. NEOs receive a mixture of fixed and variable pay and a blend of short and long term incentives as appropriate. The Board anticipates any additional executive compensation will likely be comprised of a base salary based on the executive officer's core competencies, skills, experience and contribution to the Corporation, an incentive based cash bonus plan based on both individual and corporate performance and long-term ownership through granting of stock options.

Due to the growth profile of the Corporation, an NEO's base salary does not always reflect the level of commitment and effort that he or she is required to provide to ensure the continued success and growth of the Corporation. The award of short-term incentives and options ensures that the total compensation package awarded to NEOs matches the stage of development of the Corporation at a given point in time. The grant of options is designed to recognize and reward the efforts of NEOs as well as to provide additional incentive. These grants may be subject to the successful completion of performance hurdles. NEOs are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

The Compensation Committee is responsible for reviewing remuneration arrangements and recommending them to the Board. The Compensation Committee assesses the appropriateness of the nature and amount of remuneration of NEOs on a periodic basis, by reference to relevant employment market conditions, with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality, high performing director and executive team. The charter adopted by the Compensation Committee aims to align rewards with achievement of strategic objectives.

Base Pay

NEOs are offered a competitive level of base pay at market rates (for companies of similar size and industry) which is reviewed annually to ensure market competitiveness. This base pay comprises the fixed

component of their pay and rewards. There is no guaranteed base pay increase included in any of the NEOs' contracts.

Short Term Incentives

The Board retains the discretion to pay short term incentives to NEOs based on the recommendation of the Compensation Committee. Any payment of short term incentives is dependent on the achievement of key performance milestones as determined by the Board. These milestones include key strategic, non-financial measures linked to drivers of performance in future reporting periods. Short term incentive payments may also be made at the discretion of the Board to reward an NEO's participation in ad-hoc projects or activities.

The Compensation Committee has the discretion to adjust short-term incentive payments based on an NEO's achievement of performance milestones. For the year ended December 31, 2013, the Board has not exercised its discretion to pay short term incentives.

Share-Based and Option Based Awards

Option Plan

The Corporation's Option Plan is intended to provide executive officers and directors with long-term equity-based performance incentives. The Option Plan is intended to provide share purchase options to align the interests of management with shareholder interests and to link performance compensation to enhancement of shareholder value. Options will be granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the long-term operating performance of the Corporation. In determining the number of options to be granted to executive officers, the Board will take into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure such grants are in accordance with the TSX Venture Exchange policies and closely align the interests of the executive officers with the interests of the shareholders. The Corporation's Option Plan authorizes the issuance of stock options entitling the holders to acquire, in the aggregate, up to 10% of its Common Shares from time to time.

RSA Plan

The RSA Plan is intended to provide RSAs to retain and attract employees, directors and consultants, to promote a proprietary interest by employees, directors and consultants in the Corporation and to focus management of the Corporation on the operating and financial performance of the Corporation and total long-term shareholder value. In determining the number of RSAs to be granted to employees, directors and consultants, the Board will take into account the number and exercise price of options and the number of RSAs, if any, previously granted to each employee, director or consultant to ensure such grants are in accordance with the TSX Venture Exchange policies and closely align the interests of the employees, directors and consultants with the interests of the shareholders. The aggregate number of Common Shares issuable pursuant to the RSA Plan shall not exceed 200,000 Common Shares and will be subject to the aggregate limits set forth under the Option Plan, such that unvested Common Shares under the RSA Plan will be considered "Common Shares reserved for issuance" under the Option Plan.

Risks

The Compensation Committee reviews compensation policies and practices of the Corporation taking into account any risks associated with these policies and practices. The Compensation Committee has not identified risks associated with the Corporation's compensation policies, which could have a material adverse effect on the Corporation.

Financial Instruments

The Corporation does not have a policy that would prohibit a NEO or a director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange Funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

2014 NEO Compensation

Matthew Aiken – Former Chief Financial Officer

Matthew Aiken was the Company's first CFO – and resigned on February 28, 2014. Mr. Aiken had an annual salary of \$155,000. Upon his termination, he was paid a severance of \$77,500.

Paul Byrne – Former CEO

Paul Byrne assumed the role of CEO on March 1, 2014, and resigned effective December 15, 2014. During his ten months as CEO, Mr. Byrne was paid \$221,188, and was granted 531,000 options that vested throughout the year. Upon Mr. Byrne's termination, he was paid a severance of \$870,540 in cash and was entitled to keep his options until they expire on March 3, 2019.

Harris Kupperman – Current CEO

Since he founded MGG, the current CEO of the Corporation, Harris Kupperman, has opted not to participate in any cash compensation plan for his role as an Officer of the Corporation. Mr. Kupperman received 48,000 options on March 1, 2014 for consideration for Mr. Kupperman's services as a director for the 2013 financial year.

Talha Siddiqui – Interim Chief Financial Officer

Upon Mr. Aiken's resignation, Mr. Siddiqui was appointed as interim CFO. Mr. Siddiqui earned compensation of \$36,531 from March 1, 2014 to December 31, 2014, received an annual bonus of \$25,430 paid in January 2015. In addition, he received 50,000 employee options on March 3, 2014.

Genevieve Walkden – Corporate Secretary

Ms. Walkden was appointed as Corporate Secretary on June 3, 2015. She was previously a Vice President of Operations. During 2014, Ms. Walkden was paid a salary of \$135,000. She received 150,000 employee options on March 3, 2014.

Summary Compensation Table

The following table sets forth for the years ended December 31, 2014, December 31, 2013 and December 31, 2012 concerning the compensation paid to the Corporation's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and 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 year ended December 31, 2014, whose total compensation was more than \$150,000 if any (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs").

Name and Position	Year	Fees Earned (\$)	Share Based Awards (\$)	Option Based Awards (\$) ⁽³⁾	Annual Incentive Plan (\$)	Long Term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Matthew Aiken ² Former CFO	2014	26,066	Nil	Nil	Nil	Nil	Nil	77,849 ⁵	103,915
	2013	155,000	Nil	212,722	Nil	Nil	Nil	116,878	484,600
	2012	122,536	Nil	495,074	Nil	Nil	Nil	1,346	618,956
Paul Byrne ¹ Former CEO	2014	221,188	Nil	733,614	Nil	Nil	Nil	872,283 ⁶	1,827,085
	2013	NA	NA	NA	NA	NA	NA	NA	NA
	2012	NA	NA	NA	NA	NA	NA	NA	NA
Harris Kupperman ¹ Current CEO	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	50,000	Nil	Nil	Nil	Nil	Nil	50,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Talha Siddiqui ² Interim CFO	2014	36,531	Nil	69,078	Nil	Nil	Nil	1,743	107,352
	2013	NA	NA	NA	NA	NA	NA	NA	NA
	2012	NA	NA	NA	NA	NA	NA	NA	NA

Genevieve Walkden Corporate Secretary	2014	135,000	Nil	207,236	Nil	Nil	Nil	1,399	343,635
	2013	135,000	Nil	212,722	Nil	Nil	Nil	114,878	462,600
	2012	87,536	Nil	Nil	Nil	Nil	Nil	1,346	88,882

Note:

1. Mr. Kupperman stepped down from his position of CEO on February 28, 2014 and was replaced by new CEO, Paul Byrne. Mr. Kupperman was appointed as Executive Chairman on March 1, 2014. On December 15, 2014, Mr. Byrne resigned as CEO and Mr. Kupperman stepped back in as CEO.
2. Mr. Aiken resigned from the Company effective February 28, 2014 and was replaced by Interim CFO, Talha Siddiqui. All of Mr. Aiken's options have since been forfeited. Their compensation amounts listed above are for the respective financial year, or portion thereof.
3. Based on the grant date fair value of the applicable stock options. These amounts were not paid to the above noted individuals but were based on value attributed to the options using the Black-Scholes option pricing model with assumptions of no dividends during the exercise periods, stock volatility and a risk-free rate measured at the time of grant.
4. Mr. Kupperman was granted 48,000 options in consideration for his services as a Director of the Company for the financial 2013 year. These options were issued on March 3, 2014 and therefore were not outstanding at the end of 2013.
5. Mr. Aiken received a severance of \$77,500 upon the termination of his employment in February 2014.
6. Mr. Byrne was paid a severance of \$870,540 upon the termination of his employment in December 2014. He also received benefits of \$1,743.

The following table sets forth for each Named Executive Officer all option-based awards outstanding at the end of the year ended December 31, 2014:

Option-Based Awards					Share-Based Awards		
Name	# of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ³	Number of shares or units shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Matthew Aiken ²	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Byrne ^{1,5}	531,000	\$1.90	March 2, 2019	\$0	Nil	Nil	Nil
Harris Kupperman ¹	48,000	\$1.90	March 2, 2019	\$0	Nil	Nil	Nil
Talha Siddiqui ²	50,000	\$1.90	March 2, 2019	\$0	Nil	Nil	Nil
Genevieve Walkden	150,000	\$1.90	March 2, 2019	\$0	Nil	Nil	Nil
	75,000	\$4.13	March 1, 2018	\$0	Nil	Nil	Nil

Note:

1. Mr. Kupperman stepped down from his position of CEO on February 28, 2014 and was replaced by, Paul Byrne as CEO. Mr. Kupperman was appointed as Executive Chairman on March 1, 2014 and resumed the CEO role on December 15, 2014.
2. Mr. Aiken resigned from the Company effective February 28, 2014 and was replaced by Interim CFO, Talha Siddiqui. All of Mr. Aiken's options have since been forfeited.
3. Calculated based on the difference between the market price of the Common Shares underlying the stock options at December 31, 2014 (\$0.74) and the exercise price of the options.
4. Mr. Kupperman was issued 48,000 options on March 3, 2014 as Board of Directors compensation for the 2013 year.
5. Upon his resignation, Mr. Byrne was entitled to keep his options until expiry.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014. The Corporation had 1,263,000 option-based awards valued at that vested during the year however none were in the money at year end. The Corporation had 46,786 share-based awards outstanding at the end of the most recently completed financial year, however none are held by NEOs.

Name	Option based awards – Value vested during the year ³	Share based awards – Value vested during the year ⁴	Non equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Matthew Aiken, Former CFO	Nil	Nil	Nil
Paul Byrne, Former CEO	Nil	Nil	Nil
Harris Kupperman, CEO	Nil	Nil	Nil
Talha Siddiqui, Interim CFO	Nil	Nil	Nil
Genevieve Walkden, Corporate Secretary	Nil	Nil	Nil

1. Mr. Kupperman stepped down from his position of CEO on February 28, 2014 and was replaced by new CEO, Paul Byrne. Mr. Kupperman was appointed as Executive Chairman on March 1, 2014.
2. Mr. Aiken resigned from the Company effective February 28, 2014 and was replaced by Interim CFO, Talha Siddiqui. All of Mr. Aiken's options have since been forfeited.
3. Calculated based on the difference between the market price of the Common Shares underlying the stock options at date of vesting and the exercise price of the Options.
4. Calculated based on the market price of the Common Shares underlying the Restricted Stock Units at date of vesting.

PENSION PLAN BENEFITS

During the year ended December 31, 2014, the Corporation did not provide a defined benefit plan or actuarial plan for its employees, officers or directors.

TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no other current contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in a Named Executive Officer's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2014.

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))
Equity compensation plans approved by security holders(1)	2,448,000	\$2.61	1,473,335
Equity compensation plans not approved by security holders	0	0	0
Total⁽³⁾	2,448,000⁽²⁾	\$2.61	1,473,335

Note:

1. The Corporation's Option Plan authorizes the issuance of stock options entitling the holders to acquire, in the aggregate, up to 10% of its Common Shares from time to time. In addition, the RSA plan reserves a maximum of 200,000 common shares for grant as RSA's. Shares granted under the RSA plan are deducted from the aggregate 10% reserved under the option plan.
2. Includes only options issued and outstanding as of December 31, 2014.
3. As of May 11, 2015, the Corporation currently has **3,408,000** stock options and 46,786 RSAs outstanding

AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Corporation's audit committee (the "**Audit Committee**") charter is attached as Schedule "D" to this Information Circular.

Composition of the Audit Committee

NI 52-110 provides that a member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

NI 52-110 further provides that a member of the Audit Committee is considered 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 Corporation.

The current members of Audit Committee are Robert Scott, Jim Dwyer and Byambaa Losolsuren. The Board has determined that each member of the Audit Committee is independent in accordance with Section 1.4 of NI 52-110 and that each member of the Audit Committee is financially literate in accordance with NI 52-110.

Relevant Education and Experience

Name and Place of Residence	Independent	Financially Literate	Relevant Education and Experience
Robert Scott	Yes	Yes	Mr Scott, CA, CFA brings more than 20 years of professional experience in corporate finance, accounting and merchant and commercial banking. Mr. Scott earned his CFA in 2001, his CA designation in 1998 and has a B.Sc. from the University of British Columbia Mr. Scott is currently the CFO of Riverside Resources (TSXV: RRI) and on the board of Entourage Metals (TSXV: EMT).
Jim Dwyer	Yes	Yes	Mr Dwyer was a New York-based investment banker specializing in mergers and acquisitions for 30 years and completed over 100 M&A transactions. Mr. Dwyer received his MBA from Columbia Graduate School of Business (Columbia University). He received a BBA in Accounting & English from the University of Notre Dame and qualified as a certified public accountant (CPA) with Touche Ross, a firm that is now part of Deloitte. Mr. Dwyer also serves as Chairman & President of Mongolia Education Foundation; and Chairman of Mongoljin Private Capital Limited, the Sponsor of the Mongolia Development Finance Fund.
Byambaa Losolsuren	Yes	Yes	Byambaa Losolsuren is a founder and CEO of the Trend Capital LLC, investment advisory firm. She holds extensive experience in the Mongolian finance industry having worked for the Asian Development Bank as an investment officer and as a consultant to the Financial Regulatory Commission (FRC) in Mongolia. She was instrumental in drafting of the Investment Fund law of Mongolia, which was successfully passed by the Parliament in 2013. Mrs.Losolsuren also serves as an independent director of the Mongolian Mortgage Corporation SPV and local insurance company. Also currently member of the Economic Council at the Prime Minister of Mongolia and a Director of the Investment and Finance Research Center. Byambaa holds BA from the National University of Mongolia, and MBA degree from Waseda University, Japan.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to prior approval of the Audit Committee.

External Auditor Services Fees

The aggregate fees billed by the Corporation's auditors for the years ended December 31, 2014 and December 31, 2013 are as follows:

Audit Fees				
Financial Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Year ended December 31, 2014	\$311,914	\$116,105	\$11,300	\$59,415
Year ended December 31, 2013	\$522,280	\$134,893	\$11,000	\$7,007

Notes:

1. **"Audit Fees"** include fees necessary to perform the annual audit of the Corporation's financial statements. Audit Fees include fees for
2. 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.
3. **"Audit-Related Fees"** include services that are traditionally performed by the auditor. These audit-related services include quarterly reviews of the financial statements, 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.
4. **"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.
5. **"All Other Fees"** include all other non-audit services.

CORPORATE GOVERNANCE

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 Corporation's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility of managing the business of the Corporation. Through the Audit Committee, the Board examines the effectiveness of the Corporation's internal control processes and information systems.

The majority of the Board of Directors is currently independent.

The following members of the Board of Directors are independent in accordance with Section 1.4 of NI 52-110: Robert Scott, Brad Farquhar, Nick Cousyn, Jim Dwyer and Byambaa Losolsuren.

The only non-independent director is Harris Kupperman, President and Chief Executive Officer. Mr. Kupperman has been determined to be non-independent because of his role as Chief Executive Officer of the Corporation.

Other Directorships

The following director is a director of the following other reporting issuers :

Other Reporting Issuers		
Name of Director	Name of Other Issuer	Exchange
Brad Farquhar	Input Capital Corp	TSX Venture Exchange
Robert Scott	Riverside Resources	TSX Venture Exchange
Robert Scott	Entourage Metals	TSX Venture Exchange

Orientations and Continuing Education

The Board of Directors has not yet adopted any formal orientation or continuing education program for directors. If new directors are added, the current directors and officers will assist the new directors to become familiar with the Corporation.

Ethical Business Conduct

The Board of Directors has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a sufficient number of its independent board members address all corporate matters which rightly fall before a board of directors of a public corporation.

Nomination of Directors

The Corporation does not have a nominating committee, and these functions are currently performed by the Board of Directors as a whole. A formal nomination process has not been adopted. The nominees are generally chosen by the Board.

Compensation

For a detailed discussion of the compensation of the directors and NEOs of the Corporation, please see the discussion under “Executive Compensation” and “Director Compensation”.

Assessments

The Board of Directors monitors but does not formally assess the performance of individual Board members or committee members or their contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the board.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at May 15, 2015, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Corporation which is owing to the Corporation, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, entered into in connection with a purchase of securities or otherwise.

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

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation; or
- (b) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, entered into in connection with a purchase of securities or otherwise.

OTHER MATTERS COMING BEFORE THE MEETING

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited by this Information Circular – Proxy Statement will be voted on such matters in accordance with the best judgment of the person voting such proxy.

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

No director or officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any 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.

INTEREST OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, none of the directors, executive officers, principal shareholders of the Corporation, or informed persons (as defined in National Instrument 51-102), and no associate or

affiliate of any of them, has or has had any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transactions which has materially affected or would materially affect the Corporation.

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the year ended December 31, 2014. To receive a copy of the Corporation's financial statements and related management's discussion and analysis please contact the Corporation info@mongoliagrowthgroup.com. If you wish, this information and additional information relating to the Corporation may also be accessed on SEDAR at sedar.com

Dated, this 20th day of May, 2015

A handwritten signature in blue ink, appearing to read 'HK 1', is positioned above the printed name of Harris Kupperman.

Harris Kupperman
CEO and Chairman
On Behalf of the Board of Directors

SCHEDULE "A"

MONGOLIA GROWTH GROUP LTD. (the "Corporation")

MAJORITY VOTING POLICY

The board of directors of the Corporation (the "**Board**") believes that each director should have the confidence and support of the shareholders of the Corporation (the "**Shareholders**"). To this end, the Board has unanimously adopted this policy and future nominees for election to the Board will be required to confirm that they will abide by the policy.

Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If the vote was by a show of hands, the Corporation will disclose the number of shares voted by proxy in favour or withheld for each director.

If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to forthwith submit his or her resignation to the Board, effective on acceptance by the Board. The Board will review the resignation and consider all factors deemed relevant including, without limitation, the stated reason or reasons why Shareholders who cast "withhold" votes for the director did so, the qualifications of the director including the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation.

Subject to any corporate law restrictions, the Board may (1) leave a vacancy in the Board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the Shareholders, or (3) call a special meeting of Shareholders to consider a new Board nominee(s) to fill the vacant position(s). This policy does not apply where an election involves a proxy battle, i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board.

SCHEDULE "B"

MONGOLIA GROWTH GROUP LTD.

RESTRICTED SHARE AWARD PLAN

The Mongolia Growth Group Ltd. (the "**Corporation**" or "**MGG**") Restricted Stock Award Plan (the "**Plan**") pursuant to which restricted stock of the Corporation may be granted to employees, directors or consultants of the Corporation, or any MGG Entity (as defined herein), is hereby established on the terms and conditions set out below.

ARTICLE

1

DEFINITIONS AND INTERPRETATION

1.1 Purpose: The principal purposes of the Plan are as follows:

- (a) to retain and attract Participants for MGG and MGG Entities;
- (b) to promote a proprietary interest in MGG by such Participants and to encourage such persons to remain in the employ or service of MGG and MGG Entities and put forth maximum efforts for the success of the affairs of MGG and the business of MGG and the MGG Entities; and
- (c) to focus management of MGG and MGG Entities on operating and financial performance and total long term shareholder return.

1.2 Definitions: In the Plan, the following capitalized words and terms shall have the following meanings:

(a) "**Board**" means the board of directors of the Corporation.

(b) "**Change of Control**" means:

- (i) a successful "take-over bid" (as defined in the *Securities Act* (Alberta), as amended, or any successor legislation thereto) pursuant to which the "offeror" beneficially owns in excess of 50% of the issued and outstanding Common Shares;
- (ii) the issuance to or acquisition by any person, or group of persons acting jointly or in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate total 50% or more of the then issued and outstanding Common Shares;
- (iii) an arrangement, merger or other form of reorganization of MGG where the holders of the outstanding voting securities or interests of MGG immediately prior to the completion of the reorganization will hold 50% or less of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, merger or reorganization;
- (iv) the sale of all or substantially all of the assets of MGG; or

- (v) the liquidation, winding-up or dissolution of MGG; provided that notwithstanding the application of any of the foregoing, a "**Change of Control**" shall be deemed to not have occurred if a majority of the Board, acting reasonably, determines, prior to the effective date of any transaction which may be considered a Change of Control under this definition, that in substance an arrangement or reorganization will not occur or the circumstances are such that a Change of Control will be deemed to not occur and any such determination shall be binding and conclusive for all purposes of the Plans.
- (c) "**Committee**" means the Board or any person or persons designated by the Board to administer the Plan.
- (d) "**Common Shares**" means the common shares of MGG.
- (e) "**Disability**" or "**Disabled**" means, in the sole determination of a Participant's Employer, whose determination shall be final and binding, the reasonable likelihood that the Participant will be unable to perform his or her duties and responsibility to the Employer by reason of a physical or mental disability or infirmity for either: (i) a continuous period of six months; or (ii) 270 days during an consecutive twelve (12) month period.
- (f) "**Eligible Participants**" means the employees, directors and consultants of the Corporation or any MGG Entity.
- (g) "**Employer**" means the Corporation or any MGG Entity that employs an Eligible Participant.
- (h) "**Employment**" in respect of a Participant means the employment of the Participant by an Employer.
- (i) "**Exchange**" means the TSX Venture Exchange or such other stock exchange(s) on which the Common Shares are then listed and posted for trading.
- (j) "**Grant Date**" means the date the Corporation issues Restricted Shares granted to a Participant pursuant to a Restricted Stock Agreement.
- (k) "**Maximum Restricted Shares**" has the meaning set out in section 2.1.
- (l) "**MGG Entities**" means, collectively, any of MGG's subsidiaries, partnerships, trusts or other controlled entities (for the purpose of this Plan MGG is considered to control such other entity if MGG, directly or indirectly, holds more than fifty percent (50%) of the voting rights attached to all outstanding voting securities of such entity, provided that with respect to a US Participant, a subsidiary of MGG will not be considered a MGG Entity for purposes of this Plan if MGG does not own at least eighty percent (80%) of either the total voting power or the total value of all outstanding securities of such entity).
- (m) "**Participant**" means an Eligible Participant who has been designated by the Committee to be a Participant in the Plan and to whom Restricted Shares are granted in accordance with the terms of the Plan and a Restricted Stock Agreement.
- (n) "**Resignation Date**" means the date on which the Participant notifies the Participant's Employer verbally or in writing, of the intention of the Participant to resign from Employment.
- (o) "**Restricted Period**" means, in respect of Restricted Shares granted to a Participant, the period commencing on the applicable Grant Date of such Restricted Shares and ending on

the earliest to occur after the applicable Grant Date of an event set out in Section 2.5 of the Plan.

- (p) "**Restricted Share**" means a Common Share of the Corporation granted to a Participant in accordance with the terms of the Plan and a Restricted Stock Agreement and affixed with the legend set forth in Section 2.3(d).
- (q) "**Restricted Stock Agreement**" has the meaning set out in Section 2.2.
- (r) "**Retirement**" or "**Retired**" means, in respect of a Participant, the Participant retiring from Employment in accordance with the then policies and practices of the Employer that employs the Participant, but does not include retirement of a Participant in connection with or as a consequence of a termination of the Participant's Employment for cause.
- (s) "**Shareholder**" means a holder of Common Shares.
- (t) "**Share Option Plan**" means the share option plan of the Corporation.
- (u) "**Tax Act**" means the *Income Tax Act* (Canada), as amended.
- (v) "**Termination Date**" means, the date, as determined by the Committee, that a Participant has Retired, or has become Disabled or the Participant's Employment is terminated, with or without cause, as the case may be, but for greater certainty does not include the date of a termination of Employment with one MGG Entity as a consequence of a transfer of Employment of a Participant to another MGG Entity.
- (w) "**US Participant**" means a Participant who is an individual citizen or resident of the United States of America.

ARTICLE 2 THE PLAN

2.1 Stock Subject to The Plan: The aggregate number of Common Shares authorized for grant as Restricted Shares under the Plan, subject to adjustment of such number pursuant to the provisions of section 2.8, shall not exceed 200,000 Common Shares (the "**Maximum Restricted Shares**").

2.2 Granting of Restricted Shares:

- (a) Restricted Shares may be granted to Eligible Participants of the Corporation who are designated by the Committee to be Participants in the Plan. Each grant of Restricted Shares shall be made to a Participant pursuant to an agreement (a "**Restricted Stock Agreement**") containing terms and conditions consistent with the Plan and approved by the Committee, which terms and conditions need not be the same in each case.
- (b) Issuance of Restricted Shares pursuant to this Plan shall be subject to the limitations set forth in Section 4 of the Share Option Plan and Restricted Shares shall be considered part of the aggregate Common Shares reserved for issuance under the Share Option Plan. In no event shall the Common Shares authorized for issuance under this Plan, when combined with the Common Shares reserved for issuance under the Share Option Plan, exceed 10% of the issued and outstanding Common Shares of the Corporation.

- (c) In addition to the limitations set forth in paragraph (b), above, issuance of Restricted Shares pursuant to this Plan shall be subject to the following limitations:
 - i. the aggregate number of Restricted Shares issued to any one Participant in any 12 month period shall not exceed 1% of the then issued and outstanding Common Shares of the Corporation; and
 - ii. the aggregate number of Restricted Shares issued to all Insiders (as that term is defined under the Policies of the Exchange) in any 12 month period shall not exceed 2% of the then issued and outstanding Common Shares of the Corporation.

2.3 Shareholder Rights and Restrictions: Restricted Shares granted to a Participant pursuant to this Plan shall be issued on a book entry only basis on the applicable Grant Date as fully paid and non-assessable Common Shares, registered in the name of the Participant, and the Participant shall have all of the rights of a beneficial shareholder with respect to such Common Shares, including the right to receive all dividends and other distributions payable in cash or in kind with respect to such Common Shares, except that during the applicable Restricted Period in respect of the Restricted Shares,

- (a) a Participant shall not be entitled to sell, assign, exchange, transfer, pledge, hypothecate or otherwise dispose of or encumber the Restricted Shares;
- (b) the unvested Restricted Shares shall be subject to forfeiture pursuant to section 2.6;
- (c) any Common Shares distributed as a dividend or distribution in respect of unvested Restricted Shares prior to the end of the applicable Restricted Period shall be subject to the same restrictions as the unvested Restricted Shares in respect of which the dividend or distribution was made; and
- (d) each Restricted Share shall carry a legend stating: "*The holder of these Common Shares must not trade these Common Shares until permitted by the Restricted Stock Award Plan*".

2.4 No Rights Prior to Issuance: No Participant shall have any rights or entitlement to acquire any Common Shares authorized for grant under this Plan nor shall any such shares be identified with any Participant prior to the issuance of such Restricted Shares to the Participant on the applicable Grant Date.

2.5 Restricted Period: Subject to section 2.6, the Restricted Period in respect of a Restricted Share shall end and such Restricted Share shall become vested and shall cease to be subject to forfeiture, upon the earliest to occur of the following:

- (a) one third of each grant of Restricted Shares will vest on each of the first, second and third anniversaries of the Grant Date;
- (b) the date the of a Change of Control of the Corporation;
- (c) the Termination Date in respect of the Disability of the Participant holding the Restricted Share;
- (d) the date of death of the Participant; or
- (e) a determination by the Committee to end the Restricted Period with respect to any Restricted Shares, but only to the extent of such determination.

2.6 **Forfeiture of Restricted Shares:**

- (a) The provisions of this section 2.6 shall apply to Restricted Shares throughout the Restricted Period applicable to such Restricted Shares.
- (b) All Restricted Shares granted to a Participant shall immediately and automatically be forfeited to the Corporation and cancelled for nil consideration, upon the earliest of the following dates to occur during the Restricted Period applicable to such Restricted Shares:
 - (i) the Termination Date of Employment of the Participant for cause; or
 - (ii) the Resignation Date in respect of the resignation of the Participant.
- (c) Upon the Retirement of a Participant during the Restricted Period in respect of Restricted Shares, a pro-rata portion of such Restricted Shares determined in accordance with the following formula shall become vested on the Termination Date of such Retirement:

$$\begin{array}{rcl}
 \text{Number of Restricted} & & \text{Number of} \\
 \text{Shares Vesting on} & & \text{Restricted} \\
 \text{Termination Date of} & & \\
 \text{Retirement} & = & \frac{\text{Number of days of employment from} \\
 & & \text{Grant Date to Termination} \\
 & & \text{Date}}{\text{Number of days from Grant Date to} \\
 & & \text{3}^{\text{rd}} \text{ anniversary of the Grant Date}} \times \text{Shares} \\
 & & \text{granted on} \\
 & & \text{the Grant} \\
 & & \text{Date}
 \end{array}$$

and the remaining portion of such Restricted Shares shall immediately and automatically be forfeited to the Corporation and cancelled for nil consideration upon the Termination Date of such Retirement.

- 2.7 Share Certificates:** In the event that Restricted Shares become vested upon the occurrence of any of the events specified in section 2.5 or 2.6, the Corporation shall deliver to the Participant a Common Share certificate representing the applicable Restricted Shares and registered in the name of the Participant, free and clear of all restrictions, other than those imposed under applicable securities law restrictions, as soon as practicable after the date of such vesting.
- 2.8 Adjustments:** In the event of any stock split, combination or exchange of shares of the Corporation, or any merger, consolidation, spin-off, the payment of any stock dividend or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any change in the capital of the Corporation affecting the Common Shares, the Committee may make such adjustment, if any, as it may deem appropriate in the number of Maximum Restricted Shares pursuant to Section 2.1.
- 2.9 Withholding Taxes:** The Corporation may take such steps as it considers necessary or appropriate for the withholding of any taxes which the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with the Restricted Shares including, without limiting the generality of the foregoing, requiring the Participant's Employer to withhold of all or any portion of any amount due and payable to the Participant by the Employer, until such time as the Participant has paid the Corporation for any amount which the Corporation is required to withhold with respect to such taxes. If the Corporation considers that the foregoing steps undertaken in connection with this section 2.9 result in inadequate withholding or a late remittance of taxes or other source deductions, then the issuance of Restricted Shares pursuant to this Plan may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes and other source deductions required to be remitted.

ARTICLE 3 GENERAL

- 3.1 Employment:** Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of Employment with any Employer or interfere in any way with the right of such Employer to terminate the Participant's employment at any time. Participation in the Plan by a Participant shall be voluntary.
- 3.2 Administration:** Subject to the Plan and applicable law, and in addition to other express powers and authorizations conferred on or delegated to the Committee by the Board, the Committee shall, by majority action, have full power to administer the Plan, including, but not limited to the authority to:
- (a) interpret and construe any provisions of the Plan and decide all questions of fact arising in its interpretation;
 - (b) correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent deemed necessary or desirable;
 - (c) establish, amend, and rescind any rules and regulations relating to the Plan and make such determinations as it deems necessary in order to comply with the requirements of the Plan, or to confirm to any law or regulation (including the policies of the Exchange) or to any change in any laws or regulations applicable to the Plan or the administration of the Plan, and to make such modifications as may be required to recognize differences in

applicable law, tax practices and policies applicable to Participants as a consequence of their residency, citizenship or place of employment;

- (d) take any and all actions permitted by the Plan; and
- (e) make any other determinations and take such other action in connection with the administration of the Plan that the Committee deems necessary or advisable.

3.3 Determinations of the Committee Final: Any calculation, determination or decision by, or opinion of the Committee shall be in its sole discretion (with the assistance of such reputable and qualified independent financial advisors and/or other experts as the Committee may determine) and any such calculation, determination, decision or opinion of the Committee or any other person to whom the administration of the Plan has been delegated, on any and all matters regarding the Plan, shall be final and conclusive on all parties concerned, including, but not limited to, the Corporation, the Employers, the Participants, their beneficiaries and their legal representatives, for all purposes.

3.4 Delegation of Authority: The Committee may delegate all or a part of the administration of the Plan to the senior officers of the Corporation to perform certain specific administrative functions in respect of the Plan, and shall determine the scope of such delegation in its sole discretion.

3.5 Discretionary Relief: Despite any other provision hereof, the Committee may waive in writing a restriction or forfeiture under the Plan of one or more Restricted Shares of a particular Participant, if the Committee considers that specific individual circumstances warrant such a waiver. No such waiver shall constitute a waiver of any other condition set out in the Plan in respect of the Participant and no waiver in respect of a Participant shall obligate the Committee to provide a similar waiver to any other Participant in similar or different circumstances.

3.6 Amendment and Termination of Plan: This Plan and any Restricted Stock Awards granted pursuant to the Plan may be amended, modified or terminated by the Committee including but not limited to amending the Restricted Periods under the Plan without approval of Shareholders subject to any required approval of the Exchange. Notwithstanding the foregoing, the Plan or any Restricted Stock Award may not be amended without Shareholder approval to:

- (a) increase the number of Common Shares subject to the Plan any time pursuant to Section 2.1 hereof;
- (b) permit a Grantee to transfer or assign Restricted Shares to a new beneficial holder other than for estate settlement purposes;
- (c) any amendment to Section 2.2(b); or
- (d) amend this Section 3.6 to delete any of the above.

In addition, no amendment to the Plan or Restricted Stock Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Participant in respect of any Restricted Stock Award previously granted to such Participant under the Plan.

3.7 General: The existence of rights under the Plan or any Restricted Stock Agreement shall not affect in any way, the right or power of the Corporation or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares of any class or other securities of the Corporation or to change the rights and

conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of similar character or otherwise.

- 3.8 No Representation or Warranty:** The Corporation makes no representation or warranty as to the current or future market value of any Restricted Share issued in accordance with the provisions of the Plan.
- 3.9 Indemnification:** Each member of the Board and the Committee is indemnified and held harmless by the Corporation against any costs, charges and expenses whatsoever (including tax liability arising from such indemnification) which such member of the Board or Committee may incur arising out of any action, failure to act, determination or interpretation made in good faith in connection with the Plan, and, to the extent permitted by applicable law, any liability, damages, losses, and expenses incurred in connection with defending against, responding to, negotiation for the settlement of, or otherwise dealing with any claim cause of action or dispute of any kind arising in connection with any actions in administering this Plan.
- 3.10 Effective Date:** The Plan is effective as of the date on which it has been approved by the Board.
- 3.11 Interpretation:** The Plan shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada as applicable therein.
- 3.12 Headings:** The headings contained herein are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of the Plan.

SCHEDULE "C" MONGOLIA
GROWTH GROUP LTD. SHARE
OPTION PLAN

1. Purpose of Plan

The purpose of the option plan (the "**Stock Option Plan**") is to develop the interest of Directors, Employees and Consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through share purchase Options to acquire an increased proprietary interest in the Corporation. Capitalized terms not otherwise defined, have the meanings set forth in Section 15 of this Item or in Policy 1.1

Interpretation of the TSX Venture Exchange Corporate Finance Manual.

2. Administration

The Stock Option Plan is administered by the Board, or if appointed, by a committee of directors appointed from time to time by the Board pursuant to rules of procedure fixed by the Board (such committee, or if no such committee is appointed, the Board, is hereafter in this item referred to as the "**Option Committee**").

3. Stock Exchange Rules

All options granted pursuant to this Stock Option Plan shall be subject to the rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Granting of Options

The Option Committee may from time to time designate Directors, Employees and Consultants of the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom Options may be granted and the number of Common Shares to be optioned to each, subject to the following (and subject to such additional restrictions and limitations as the policies of the Exchange may impose):

- (a) the aggregate number of Common Shares reserved for issuance on exercise of all Options issued under the Stock Option Plan at any given time shall not exceed ten percent of the number of Outstanding Common Shares at such time, subject to the adjustment as set forth in Section 9 of this item and the other provisions hereof;
- (b) the aggregate number of Common Shares reserved for issuance to any one Optionee in a 12 month period shall not exceed five percent of the number of Outstanding Common Shares, unless the Corporation complies with the policies of the Exchange;
- (c) the aggregate number of Common Shares reserved for issuance to any one Director, Employee or Consultant under the Stock Option Plan shall not exceed two percent of the number of Outstanding Common Shares in any 12 month period;
- (d) The aggregate number of Common Shares reserved for issuance to any one Optionee employed to provide Investor Relations Activities in a 12 month period shall not exceed an aggregate of two percent of the number of Outstanding Common Shares;
- (e) the aggregate number of Common Shares reserved for issuance to all Eligible Charitable Organizations (as defined in the TSX Venture Corporate Finance Manual) will not exceed one percent of the number of Outstanding Common Shares;
- (f) (unless the approval of the disinterested shareholders of the Corporation is obtained, the maximum number of Common Shares reserved for issuance pursuant to Options granted to Insiders at any time may not exceed ten percent of the number of Outstanding Common Shares; and

- (g) unless the approval of the disinterested Shareholders of the Corporation is obtained, the maximum number of Common Shares which may be issued to Insiders within a one year period may not exceed ten percent of the number of Outstanding Common Shares;
- (h) The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Stock Option Plan that are cancelled, terminated or expire in accordance with the terms of the Stock Option Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Stock Option Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

5. Vesting

- (a) The option committee of the Board (the "**Option Committee**") may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, acceleration of vesting (including, without limitation, in the case of a takeover bid or other change of control), or that no vesting restriction shall exist.
- (b) Notwithstanding the foregoing, unless otherwise permitted by the Exchange, Options issued to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months, with no more than one quarter of the Options vesting in any three month period.

6. Exercise Price

- (a) Subject to the policies of the Exchange, the exercise price (the "**Exercise Price**") of any Option must not be less than the Discounted Market Price.

In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the market price of the Common Shares shall be determined by the Board in its sole discretion. Notwithstanding the foregoing sentence, in the event that there has been a publicly announced take-over bid, amalgamation or other transaction involving the Common Shares, while such transaction is still outstanding, the market price shall be the consideration offered pursuant to such transaction (in the event that the consideration is other than cash, the Board shall determine the cash equivalent for the purpose of this provision).

- (b) The Corporation must obtain disinterested Shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

7. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Stock Option Plan requiring acceleration of rights of exercise, be such period as may be determined by the Option Committee at the time of grant, provided that no Option may be exercised beyond ten years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee (except as provided herein). In addition, each Option shall provide that:

- (a) upon the death of the Optionee, provided the Optionee was a Service Provider for at least one year following the grant of the Options (unless otherwise determined by the Option Committee), the Option shall terminate on the date determined by the Option Committee, which shall not be more than one year from the date of death; and
- (a) unless the directors of the Corporation determine otherwise, if the Optionee shall no longer be a Service Provider to the Corporation, the Option shall terminate on the expiry of the period (the "**Option Termination Date**") not in excess of 90 days, and in the case of Optionees performing Investor Relations Activities, not in excess of 30 days, prescribed by the Option Committee at the time of grant, following the date that the Optionee ceases to be a Service Provider to the

Corporation; provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Option Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Service Provider to the Corporation (other than if the Service Provider is terminated by the Corporation for cause).

8. Exercise of Option

Subject to the Stock Option Plan, an Optionee (or his or her legal personal representative) may exercise from time to time by delivery to the Corporation, at its executive head office in Toronto, Ontario, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the optionee a certificate or certificates, representing such Common Shares in the name of the optionee or the optionee's legal personal representative or otherwise as the optionee may or they may in writing direct.

9. Alterations in Common Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted, or the Corporation shall pay a dividend upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of Common Shares he would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the Common Shares and had held such Common Shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

10. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Option Committee, all in accordance with the provisions of this Stock Option Plan. The agreement will be in such form as the Option Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Stock Option Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

11. Regulatory Authorities Approvals

The Stock Option Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

12. Amendment or Discontinuance of the Stock Option Plan

The Option Committee may amend or discontinue the Stock Option Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Stock Option Plan and provided further that any amendment to the Stock Option Plan should be subject to prior approval of any stock exchange on which the Common Shares are listed, as required by such exchange, and approval of the shareholders of the Corporation, if required by such exchange.

13. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Common Shares thereunder will not require a resolution or approval of the Board.

14. Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Stock Option Plan shall not be transferable or assignable unless to the extent, if any, permitted by the Exchange. During the lifetime of an Optionee any benefits, rights and options may only be exercised by the Optionee.

15. Definitions

In respect of the Stock Option Plan, capitalized terms not otherwise defined in this Item have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the Exchange and there are discrepancies between said defined terms, the defined term used in the policies of the Exchange prevail over the defined term used in this Item during such period of time as the Corporation's Common Shares are listed on the Exchange.

- (a) A company is an "**Affiliate**" of another company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same company or individual.
- (b) "**company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual.
- (c) "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;

- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- (d) **"Consultant Company"** means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (e) **"Directors"** means directors, senior officers and management company employees of the Corporation, or directors, senior officers and management company employees of the Corporation's subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws.
- (a) **"Discounted Market Price"** means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05 and a minimum exercise price per Warrant or incentive stock option, as the case may be, of \$0.10):

Closing Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

- (g) **"Distribution"** has the meaning ascribed thereto in the *Securities Act* (Alberta).
- (h) **"Employee"** means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular bona fide basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.
- (i) **"Exchange"** means the CNSX or the TSX Venture Exchange, or, if the Common Shares are not then listed and posted for trading on such exchange, any stock exchange in Canada on which

such Common Shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board.

- (j) **"Insider"**, if used in relation to the Corporation, means:
 - (i) a director or senior officer of the Corporation;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Corporation;
 - (iii) a company or individual that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than ten percent of the voting rights attached to all outstanding voting Common Shares of the Corporation; or
 - (iv) the Corporation itself if it holds any of its own securities.
- (k) **"Investor Relations Activities"** means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation; or
 - (B) to raise public awareness of the Corporation;
 - (C) that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws; or
 - (B) the policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication; and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (l) **"Management Company Employee"** means an individual employed by a company or individual providing bona fide management services to the Corporation, which are required for the ongoing

successful operation of the business enterprise of the Corporation, but excluding a company or individual engaged in Investor Relations Activities.

- m) "**Outstanding Common Shares**" at the time of any share issuance or grant of Options means the aggregate number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including, if listed thereon, the Exchange.
- (n) "**Service Provider**" means a Director, Employee or Consultant of the Corporation.
- (o) "**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted.

SCHEDULE "D" MONGOLIA

GROWTH GROUP LTD. AUDIT

COMMITTEE

MANDATE AND TERMS OF REFERENCE

Our Audit Committee Charter outlines the specific roles and duties of the Committee's members.

GENERAL FUNCTIONS, AUTHORITY, AND ROLE

The Audit Committee is a Committee of the Board of Directors appointed to assist the Board in monitoring (1) the integrity of the financial statements of the Corporation, (2) compliance by the Corporation with legal and regulatory requirements related to financial reporting, (3) qualifications, independence and performance of the Corporation's independent auditors, and (4) performance of the Corporation's internal controls and financial reporting process.

The Audit Committee has the power to conduct or authorize investigations into any matters within its scope of responsibilities, with full access to all books, records, facilities and personnel of the Corporation, its auditors and its legal advisors. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee has the authority to independently retain special legal, accounting, or other consultants to advise it, and may request any officer or employee of the Corporation, its independent legal counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee also has the power to create specific sub-committees with all of the investigative powers described above.

The Corporation's independent auditor is ultimately accountable to the Board of Directors and to the Audit Committee; and the Board of Directors and Audit Committee, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, and to nominate annually the independent auditor to be proposed for shareholder approval, and to determine appropriate compensation for the independent auditor. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee must maintain free and open communication between the Corporation's independent auditors, Board of Directors and management. The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board of Directors.

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor (other than disagreements regarding financial reporting), or to assure compliance with laws and regulations or the Corporation's own policies.

MEMBERSHIP

The membership of the Audit Committee will be as follows:

- The Committee will consist of a minimum of three members of the Board of Directors, appointed annually, the majority of whom is affirmatively confirmed as independent by the Board of Directors, with such affirmation disclosed in the Corporation's annual shareholder materials.
- The Board will elect, by a majority vote, one member as chairperson.
- A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board Committee, accept any

consulting, advisory, or other compensatory fee from the Corporation, and may not be an affiliated person of the Corporation or any subsidiary thereof.

RESPONSIBILITIES

The responsibilities of the Audit Committee shall be as follows:

1. Frequency of Meetings

- Meet annually or as often as may be deemed necessary or appropriate in its judgment, either in person or by teleconference.
- Meet with the independent auditor at least annually, either in person or telephonically.

2. Reporting Responsibilities

- Provide to the Board of Directors proper Committee minutes.
- Report Committee actions to the Board of Directors with such recommendations as the Committee may deem appropriate.
- Provide a report for the Corporation's Annual Information Circular.

3. Charter Evaluation

- Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.

4. Whistleblower Mechanisms

- Adopt and review annually a mechanism through which employees and others can directly and anonymously contact the Audit Committee with concerns about accounting and auditing matters. The mechanism must include procedures for responding to, and keeping of records of, any such expressions of concern.

5. Independent Auditor

- Nominate annually the independent auditor to be proposed for shareholder approval.
- Approve the compensation of the independent auditor, and evaluate the performance of the independent auditor.
- Establish policies and procedures for the engagement of the independent auditor to provide non-audit services.
- Ensure that the independent auditor is not engaged for any activities not allowed by any of the Canadian provincial securities commissions, the SEC or any securities exchange on which the Corporation's shares are traded.
- Ensure that the auditors are not engaged for any of the following nine types of non-audit services contemporaneous with the audit:
 - o bookkeeping or other services related to accounting records or financial statements of the Corporation;
;
 - o financial information systems design and implementation;
 - o appraisal or valuation services, fairness opinions, or contributions-in-kind reports;
 - o actuarial services;

- o internal audit outsourcing services;
- o any management or human resources function;
- o broker, dealer, investment advisor, or investment banking services;
- o legal services; and
- o expert services related to the auditing service.

6. Hiring Practices

- Ensure that no senior officer who is, or in the past full year has been, affiliated with or employed by a present or former auditor of the Corporation or an affiliate, is hired by the Corporation until at least one full year after the end of either the affiliation or the auditing relationship.

7. Independence Test

- Take reasonable steps to confirm the independence of the independent auditor, which shall include:
 - o insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Corporation, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
 - o considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
 - o as necessary, taking, or recommending that the Board of Directors take, appropriate action to oversee the independence of the independent auditor.

8. Audit Committee Meetings

- At the request of the independent auditor, convene a meeting of the Audit Committee to consider matters the auditor believes should be brought to the attention of the Board or shareholders.
- Keep minutes of its meetings and report to the Board for approval of any actions taken or recommendations made.

9. Restrictions

- Ensure no restrictions are placed by management on the scope of the auditors' review and examination of the Corporation's accounts.
- Ensure that no officer or director attempts to fraudulently influence, coerce, manipulate or mislead any accountant engaged in auditing of the Corporation's financial statements.

AUDIT AND REVIEW PROCESS AND RESULTS

10. Scope

- Consider, in consultation with the independent auditor, the audit scope and plan of the independent auditor.

11. Review Process and Results

- Consider and review with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as the same may be modified or supplemented from time to time.

- Review and discuss with management and the independent auditor at the completion of the annual examination:
 - the Corporation's audited financial statements and related notes;
 - the Corporation's MD&A and news releases related to financial results;
 - the independent auditor's audit of the financial statements and its report thereon;
 - any significant changes required in the independent auditor's audit plan;
 - any non-GAAP related financial information;
 - any serious difficulties or disputes with management encountered during the course of the audit
 - other matters related to the conduct of the audit, which are to be communicated to the Audit Committee under generally accepted auditing standards.
- Review, discuss with management and approve annual and interim quarterly financial statements prior to public disclosure.
- Review and discuss with management and the independent auditor the adequacy of the Corporation's internal controls that management and the Board of Directors have established and the effectiveness of those systems, and inquire of management and the independent auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Corporation.
- Meet separately with the independent auditor and management, as necessary or appropriate, to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately with the Audit Committee.
- Review and discuss with management and the independent auditor the accounting policies which may be viewed as critical, including all alternative treatments for financial information within generally accepted accounting principles that have been discussed with management, and review and discuss any significant changes in the accounting policies of the Corporation and industry accounting and regulatory financial reporting proposals that may have a significant impact on the Corporation's financial reports.
- Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Corporation's financial statements.
- Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
- Review with the Corporation's General Counsel legal matters that may have a material impact on the financial statements, the Corporation's financial compliance policies and any material reports or inquiries received from regulators or governmental agencies related to financial matters.

SECURITIES REGULATORY FILINGS

- Review filings with the Canadian Provincial Securities Commissions and other published documents containing the Corporation's financial statements.
- Review, with management and the independent auditor, prior to filing with regulatory bodies, the interim quarterly financial reports (including related notes and MD&A) at the completion of any review engagement or other examination. The designated financial expert of the Audit Committee may represent the entire Audit Committee for purposes of this review.

RISK ASSESSMENT

- Meet periodically with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Assess risk areas and policies to manage risk including, without limitation, environmental risk, insurance coverage and other areas as determined by the Board of Directors from time to time.

AMENDMENTS TO AUDIT COMMITTEE CHARTER

- Annually review this Charter and propose amendments to be ratified by a simple majority of the Board.

