

**TRIMETALS MINING INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

**This management information circular (this “Circular”) is furnished in connection with the solicitation by management of TriMetals Mining Inc. (the “Corporation”) of proxies to be used at the annual general meeting (the “Meeting”) of the shareholders of the Corporation to be held at 1 First Canadian Place, 100 King Street West, Suite 1600, Toronto, Ontario, Canada on Wednesday, May 24, 2017 at 4:00 p.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the “Notice of Meeting”).** It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding Common Shares (“Common Shares”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of Common Shares and obtaining proxies therefor. The total cost of the solicitation will be borne directly by the Corporation.

**Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are officers of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified in such form of proxy to attend and act on behalf of such shareholder at the Meeting. Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy and returning it in the manner set forth in the form of proxy.**

A shareholder who has given a proxy may revoke it (i) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder’s attorney authorized in writing either with the transfer agent of the Corporation with a copy to the Corporation at its registered office: 880-580 Hornby Street, Vancouver British Columbia V6C 3B6 at any time up to and including proxy cut-off time indicated in the Notice of Meeting, or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any postponement or adjournment thereof, or (ii) in any other manner permitted by law.

**Exercise of Discretion**

The persons named in the enclosed form of proxy will vote or withhold from voting the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other

matters, if any, which may properly come before the Meeting. At the date of the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many holders of Common Shares, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to herein as “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 shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of Common Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”) or the Depository Trust Company (“DTC”)), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS or DTC, which act as nominee for many brokerage firms. Common Shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting Common Shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person or that the Common Shares are duly registered in their name.**

Applicable securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

The majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“Broadridge”). Broadridge supplies a voting instruction form (“VIF”) and asks Beneficial Shareholders to complete and return the VIF to Broadridge in accordance with the instructions set out in the VIF. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a VIF from Broadridge cannot use that VIF to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to instruct Broadridge how to vote the Common Shares.**

The Corporation has instructed intermediaries to deliver proxy-related Meeting materials to non-objecting Beneficial Shareholders under applicable Canadian securities law. The Corporation also intends to pay for intermediaries to deliver copies of the proxy-related Meeting materials and related forms to objecting Beneficial Shareholders. The Corporation is not sending proxy-related Meeting materials to Beneficial

Shareholders who have declined to receive them in order to save mailing costs and abide by the instructions of its declining Beneficial Shareholders.

The Corporation is not sending its proxy-related Meeting materials to the registered shareholders or Beneficial Shareholders using “notice and access”, as defined in National Instrument 54-101.

If you are a Beneficial Shareholder and wish to attend the Meeting in person or appoint some other person or company, who need not be a shareholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please follow the instructions contained in the VIF.

### **Record Date**

The directors have fixed April 13, 2017 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such record date are entitled to vote at the Meeting.

### **Voting Securities and Principal Holders Thereof**

As of April 13, 2017, there were 156,529,796 Common Shares issued and outstanding. Each Common Share has the right to one vote on each matter at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders will have one vote, for each Common Share registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at CST Trust Company and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and officers of the Corporation, the only persons or companies beneficially owning, directly or indirectly, or exercising control or direction over 10% or more of the issued and outstanding Common Shares are as follows:

<b>Name</b>	<b>Number of Common Shares Beneficially Owned or Controlled or Directed</b>	<b>Percentage of Outstanding Common Shares</b>
Kevel Consulting SA (“Kevel”)	25,088,900 <sup>(1)</sup>	16.03%

**Notes:**

- (1) Kevel has disclosed that it, as investment manager of various funds, exercises control or direction over these shares. Included within its control are 19,505,400 Common Shares (12.46%) held by Clever Fund Solution SPC for Arbitrage SP Segregated Portfolio. See Kevel’s early warning report filed on February 13, 2015 and publicly available under the Corporation profile at [www.sedar.com](http://www.sedar.com).

### **Interests of Certain Persons or Companies in Matters to be Acted Upon**

Management of the Corporation is not aware of a material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation’s last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval of the Share Incentive Plan of the Corporation and

amendment of the Share Incentive Plan as detailed in “Particulars of Matters to be Acted Upon” – “Unallocated Shares Under the Existing Share Incentive Plan” and “Amendments to Share Incentive Plan”. In addition, as described in this Circular under the heading “Particulars of Matters to be Acted Upon – Approval of Previously Granted Stock Options”, the Corporation has, subject to shareholder approval, granted certain incentive stock options to Robert Van Doorn, Chairman and a director. The directors and officers referred to herein are: Robert van Doorn, Chairman and a director of the Corporation (holding approximately 0.50% of the issued and outstanding Common Shares); Antonio Canton, a director of the Corporation; Victor Rene Dario, a director of the Corporation; Roman Mironchik, a director of the Corporation; Paul Sheehan, a director of the Corporation (holding approximately 0.01% of the issued and outstanding Common Shares); Tina Woodside, a director of the Corporation (holding approximately 0.20% of the issued and outstanding Common Shares); Ralph Fitch, President, Chief Executive Officer and a director of the Corporation (holding approximately 2.92% of the issued and outstanding Common Shares); Matias Herrero, Chief Financial Officer of the Corporation (holding approximately 0.09% of the issued and outstanding Common Shares); Felipe Malbran, Executive Vice-President of Exploration, South America of the Corporation (holding approximately 1.17% of the issued and outstanding Common Shares); and Randall Moore, Executive Vice-President of Exploration, North America of the Corporation (holding approximately 0.25% of the issued and outstanding Common Shares).

## **BUSINESS OF THE MEETING**

### **Financial Statements**

The audited consolidated financial statements of the Corporation for the year ended December 31, 2016, together with the auditor’s report thereon, will be placed before the Meeting.

### **Election of Directors**

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors at seven and it is proposed that the seven persons whose names are set forth below be elected to the board of directors of the Corporation (the “Board”). Each nominee for election as a director is currently a director of the Corporation. All directors elected will hold office until the next annual general meeting of shareholders of the Corporation or until their successors are elected or appointed.

A shareholder can vote for all of the nominees, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the setting of the number of directors at seven and vote FOR the election of each of the nominees whose names are set forth below.** Management of the Corporation does not contemplate that any nominee will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion unless the shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting for any management nominee in the election of directors.

The Board adopted a policy on majority voting in April 2012 and amended such policy in March 2014 and April 2017. If, in an uncontested election of directors, a nominee is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, he or she will immediately tender to the Board his or her resignation as a director. The Corporate Governance and Nominating Committee of the Board will then consider the circumstances surrounding the resignation and the director’s ability to continue to serve effectively as member of the Board, and then make a recommendation to the Board as to

whether the Board should accept the director's resignation. A director who tenders a resignation shall not participate in any meeting of the Committee or the Board with respect to such resignation. The Board will then determine whether or not to accept the resignation within 90 days after the date of the relevant shareholders' meeting. Absent exceptional circumstances, the Board will accept the resignation. The Corporation will promptly issue a news release with the Board's decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

Pursuant to the Corporation's Articles, nominations by shareholders for the election of directors at the Meeting (other than nominations by shareholders pursuant to a shareholder proposal or a requisitioned meeting) were to be received by the Corporation on or before April 24, 2017. No such nominations have been received by the Corporation.

The following table sets forth certain information with respect to each of the persons proposed to be nominated for election as a director (a "proposed director") as of the date hereof. For additional information regarding compensation, options, current directorships and attendance at Board meetings in 2016, please see "Statement of Executive Compensation – Compensation of Directors" and "Statement of Corporate Governance Practices – Other Directorships; and Attendance at Meetings".

<b>Name, Province/State and Country of Residence</b>	<b>Position held with the Corporation</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Voting Securities Owned or Controlled <sup>(5)</sup></b>
Ralph G. Fitch Colorado, United States	President, Chief Executive Officer and Director	Officer of the Corporation	September 28, 2006 (Incorporation)	4,565,533
Antonio Canton <sup>(2)(3)</sup> Gingins, Switzerland	Director	Independent Consultant for international companies in marketing, finance and real estate	June 4, 2010	Nil
Victor René Dario <sup>(3)</sup> Zurich, Switzerland	Director	Divisional Head Corporate Finance, CGZ Consulting Group Zurich Inc. (consulting company)	May 20, 2015	Nil
Roman Mironchik <sup>(1)(2)(3)</sup> London, United Kingdom	Director	Managing Director, Izurium Capital Management (private equity firm)	May 22, 2012	Nil
Paul Sheehan <sup>(1)</sup> Hong Kong	Director	Chief Executive Officer, Sheehan Far East Limited (investment fund)	August 27, 2013	20,000
Robert van Doorn <sup>(1)(4)</sup> British Columbia, Canada	Chairman and Director	Consultant in the mining industry	May 20, 2015	775,000
Tina Woodside <sup>(2)</sup> Ontario, Canada	Director	Firm Managing Partner, Gowling WLG (Canada) LLP (law firm)	September 28, 2006 (Incorporation)	314,340

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Mr. van Doorn was appointed Chairman on November 21, 2016.
- (5) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors, including those which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors.

## **Appointment of Auditors**

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who were first appointed as auditors of the Corporation on September 28, 2006.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.**

Disclosure of fees received by PricewaterhouseCoopers LLP and its affiliates from the Corporation and its subsidiary entities for the years ended December 31, 2016 and December 31, 2015 is set out under the heading “Audit Committee Information – External Auditor Service Fees (By Category)” in the Corporation’s Annual Information Form which is available on [www.sedar.com](http://www.sedar.com).

## **Unallocated Shares Under the Existing Share Incentive Plan**

In 2007, the shareholders of the Corporation approved the adoption of the Corporation’s share incentive plan, as amended in 2010 and 2013 (the “Share Incentive Plan”) for directors, officers, employees and service providers. The purpose of the Share Incentive Plan is to attract and retain directors, officers, employees and service providers of the Corporation and to motivate them to promote the success of the Corporation’s business by aligning their financial interests to those of the Corporation and to long-term shareholder value.

The Share Incentive Plan last approved by the shareholders of the Corporation in 2013 is a share option plan (with or without associated share appreciation rights), and the maximum number of Common Shares issuable thereunder consists of a “rolling” 10% of the Corporation’s issued and outstanding Common Shares from time to time.

Pursuant to the rules of the Toronto Stock Exchange (the “TSX”), unallocated options, rights or other entitlements under a TSX listed issuer’s security based compensation arrangement that does not have a fixed maximum number of securities issuable must be approved by the issuer’s security holders every three years. Because the Share Incentive Plan does not have a fixed number of Common Shares issuable thereunder, but permits the issuance of up to an aggregate of 10% of the outstanding Common Shares from time to time, the Corporation is required by the rules of the TSX to seek shareholder approval at the Meeting of all of the unallocated Common Shares underlying stock options and share appreciation rights issuable pursuant to the Share Incentive Plan in accordance with this requirement.

As of April 13, 2017, the Corporation has outstanding options with associated share appreciation rights entitling the holders thereof to acquire up to 10,672,708 Common Shares, representing approximately 6.8% of the issued and outstanding Common Shares.

For a description of the Share Incentive Plan, see “Other Information – Share Incentive Plan”. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the Share Incentive Plan until the Corporation’s 2020 annual shareholders’ meeting (provided that such meeting is held on or prior to May 24, 2020).

If approval is not obtained at the Meeting, options with associated share appreciation rights which are outstanding as of May 24, 2017 and are subsequently cancelled, terminated or exercised will not be

available for a new grant. Previously allocated awards will continue to be unaffected by the approval or disapproval of the resolution.

**At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution (the “Unallocated Shares Resolution”):**

**“RESOLVED THAT:**

1. The Corporation’s Share Incentive Plan and all unallocated options, rights and other entitlements under the Share Incentive Plan, as described in the management information circular dated April 13, 2017 be and is hereby approved, ratified and confirmed;
2. all unallocated Common Shares and awards issuable pursuant to the Share Incentive Plan are hereby approved and authorized until the date of the Corporation’s annual shareholders’ meeting in the year 2020 (provided that such meeting is held on or prior to May 24, 2020); and
3. any director or officer of the Corporation is authorized and directed to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

The Board recommends that shareholders vote FOR the Unallocated Shares Resolution. Unless a shareholder has specified in the enclosed form of proxy that the Common Shares represented thereby are to be voted against the Unallocated Shares Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Unallocated Shares Resolution.

**To be effective, the Unallocated Shares Resolution must be approved by at least a majority of the votes cast thereon at the Meeting.**

**Amendments to Share Incentive Plan**

On April 25, 2017 the Board, on the recommendation of the Corporation’s Compensation Committee, approved, subject to shareholder and TSX approval, certain amendments to the Share Incentive Plan. The principal amendments to the Share Incentive Plan are summarized below. Assuming the resolution approving all unallocated options under the Share Incentive Plan is approved, the amendments (the “Amendments”) to the Share Incentive Plan (the Share Incentive Plan, as amended, being referred to as the “Amended Incentive Plan”) will then be submitted to Shareholders at the Meeting for approval. A copy of the Amended Incentive Plan, showing the changes from the Share Incentive Plan, is attached as Schedule B to this Information Circular. The TSX has conditionally approved the Amended Incentive Plan, subject to approval of the Shareholders. The Amendments to the Share Incentive Plan include:

- (a) the addition of a non-employee director participation limit in section 2.06 which provides that the number of Common Shares issued in any one fiscal year to all non-employee directors shall not exceed 1% of the outstanding Shares at that time.
- (b) revisions to the amendment provisions of the Share Incentive Plan in order to add additional amendments under section 6.02(c) that would require shareholder approval, including any amendment to:

- (i) reduce the exercise price of an option issued under the Share Incentive Plan (for this purpose, a cancellation or termination of an option of a participant prior to its expiry for the purpose of re-issuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option);
- (ii) extend the term of an award beyond the original expiration date (subject to such date being extended by virtue of section 3.05(b)) with respect to all participants and not just insiders;
- (iii) amend the insider participation limits in section 2.05 which result in the security holder approval to be required on a disinterested basis;
- (iv) remove or to increase the non-employee director participation limit under section 2.06;
- (v) section 6.03 of the Plan that would permit options to be assigned or transferred, other than for normal estate settlement purposes;
- (vi) the amendment provisions of the Share Incentive Plan.

The existing options which are outstanding under the Share Incentive Plan will be incorporated into the Amended Incentive Plan and will be governed by the Amended Incentive Plan.

Copies of the Share Incentive Plan and Amended Incentive Plan are available for viewing up to the date of the Meeting at the Corporation's offices at Suite 880 - 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 during normal business hours and at the Meeting. In addition, a copy of the Share Incentive Plan and Amended Incentive Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Secretary.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution, in substantially the following form, approving the Amendments and the Amended Share Incentive Plan (the "Amendment Resolution").

**"RESOLVED THAT:**

1. the Share Incentive Plan of TriMetals Mining Inc., as amended by the board of directors and substantially in the form presented to the shareholders (the "Amended Incentive Plan"), be and is hereby approved;
2. the board of directors be authorized on behalf of the Corporation to make any further amendments to the Amended Incentive Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Amended Incentive Plan;
3. the board of directors be authorized on behalf of the Corporation to make such amendments to the Amended Incentive Plan from time to time as the board of directors of the Corporation may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in



certain cases, in accordance with the terms of the Amended Incentive Plan, the shareholders of the Corporation; and

4. the approval of the Amended Incentive Plan by the board of directors of the Corporation is hereby ratified and confirmed and any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The Board recommends that shareholders vote FOR the Amendment Resolution. Unless a shareholder has specified in the enclosed form of proxy that the Common Shares represented thereby are to be voted against the Amendment Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Amendment Resolution.

**To be effective, the Amendment Resolution must be approved by at least a majority of the votes cast thereon at the Meeting.**

#### **Approval of Previously Granted Stock Options**

On October 10, 2016 and November 21, 2016, the Board of Directors approved (subject to shareholder approval) the grant of incentive stock options to Robert Van Doorn, the non-executive Chairman of the Corporation as follows: 250,000 options exercisable at (CDN)\$0.285 per share until October 10, 2021 and 50,000 options exercisable at (CDN)\$0.225 per share until November 21, 2021. On November 10, 2016, the Board of Directors approved (subject to shareholder approval) the grant of 250,000 options exercisable at (CDN)\$0.25 per share until November 10, 2021 to Doug Flegg, a consultant of the Corporation, such options vesting quarterly on each of the 3, 6, 9 and 12 month anniversaries of the date of grant.

The Corporation is required by the rules of the TSX to seek shareholder approval of all of the unallocated Common Shares underlying stock options and share appreciation rights issuable pursuant to the Share Incentive Plan ever three years. The Corporation accidentally failed to seek such approval at last year’s annual general meeting of shareholders and is seeking such approval this year at the Meeting – see “Particulars of Matters to be Acted Upon – Unallocated Shares Under the Existing Share Incentive Plan”. As a result, the above noted incentive stock options must approved by the shareholders at the Meeting in order to be subject to the terms of the Share Incentive Plan. If the Share Incentive Plan is not approved by shareholders, or if the shareholders do not approve the grant of stock options, the grant, and the stock options subject to the grant, will be void.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution, in substantially the following form (the “**Stock Option Grant Resolution**”):

“WHEREAS on October 10, 2016 and November 21, 2016, the Corporation’s Board of Directors approved the grant of an aggregate of 300,000 incentive stock options to the non-executive Chairman of the Corporation under the Corporation’s proposed Share Incentive Plan.

AND WHEREAS on November 10, 2016, the Corporation's Board of Directors approved the grant of an aggregate of 250,000 incentive stock options to a consultant under the Corporation's proposed Share Incentive Plan.

AND WHEREAS the rules of the Toronto Stock Exchange provide that stock options may be granted under the proposed Share Incentive Plan prior to approval of the proposed Share Incentive Plan by the Corporation's shareholders provided that no exercise of such option or right may occur until shareholder approval is obtained.

RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

1. The grant of an aggregate of 300,000 incentive stock options to Robert Van Doorn is hereby ratified and approved.
2. The grant of an aggregate of 250,000 incentive stock options to Doug Flegg is hereby ratified and approved.
3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

The Board recommends that shareholders vote FOR the Stock Option Grant Resolution. Unless a shareholder has specified in the enclosed form of proxy that the Common Shares represented thereby are to be voted against the Stock Option Grant Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Stock Option Grant Resolution.

**To be effective, the Stock Option Grant Resolution must be approved by at least a majority of the votes casted thereon at the Meeting.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Compensation Governance*

The Corporation has a compensation committee (the "Compensation Committee") composed of three directors, Ms. Woodside (Chair) and Messrs. Canton and Mironchik, each of whom is considered "independent" within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees*.

Each member of the Compensation Committee has direct experience that is relevant to his or her responsibilities in executive compensation. Skills and experience that enable the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices include:

<b>Name</b>	<b>Skills and Experience</b>
Ms. Woodside (Chair)	Ms. Woodside has chaired or been a member of the compensation committees of various Toronto Stock Exchange and TSX Venture Exchange listed companies for over 10 years. She is a partner at a national Canadian law firm specializing in corporate and securities law, and has served in a number of senior management positions at her firm, several of which involved determining the compensation of partners, associates and staff. She is a Certified Director of the Institute of Corporate Directors.
Mr. Canton	Mr. Canton has been a member of the Corporation's Compensation Committee since 2011. As a Certified Public Accountant since 1997, Mr. Canton is a member of the Swiss Chamber of Certified Accountants and Tax Consultants and was a teacher in the Swiss Audit Academy from 1998 to 2006. Mr. Canton serves as a director of several Swiss and international companies.
Mr. Mironchik	Mr. Mironchik has been a member of the Corporation's Compensation Committee since 2013. He is a partner at Izurium Capital, an independent investment firm headquartered in London. Mr. Mironchik has extensive experience in assisting investee companies with budgeting, strategic planning, financing and M&A activities.

The Compensation Committee was established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the recruitment, compensation and performance evaluation of the Chief Executive Officer ("CEO") and other senior officers, the development of the Corporation's compensation structure for the CEO and other senior officers, and the development of the Corporation's compensation structure for non-management directors.

The Compensation Committee is responsible for, among other things:

- reviewing the Corporation's overall compensation philosophy;
- reviewing and approving corporate goals and objectives relevant to CEO compensation (taking into account both short-term and long-term compensation goals), evaluating the CEO's performance in light of stated corporate goals and objectives and recommending to the Board the CEO's compensation level based on this evaluation;
- making recommendations for approval by the Board with respect to succession planning for the CEO;
- in consultation with the CEO, overseeing the evaluation of the Corporation's senior officers and determining the compensation of senior officers other than the Chief Executive Officer;
- assisting the Board in fulfilling its obligation to identify the principal risks associated with the Corporation's compensation and human resources policies and practices, including in the design of compensation policies intended to meet the Corporation's compensation objectives;

- reviewing the adequacy, amount and form of compensation paid to each director (and considering whether such compensation realistically reflects the time commitment, responsibilities and risks of directors) and making recommendations to the Board thereon;
- making recommendations to the Board with respect to the adoption or amendment of incentive compensation plans; and
- making recommendations to the Board with respect to the adoption or amendment of equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of incentive options in accordance with such plans.

The Compensation Committee has the authority to retain and receive advice from compensation consultants to carry out its duties. In 2016, neither the Board nor the Compensation Committee retained any compensation consultant or advisor to assist them in determining compensation.

#### *Compensation Philosophy and Objectives*

The Corporation's executive compensation program is designed to provide both short and long-term rewards to the Corporation's executive officers that are consistent with their individual and corporate performance and their contribution to the Corporation's objectives.

The Corporation's overall compensation philosophy is that compensation should be sufficiently competitive to attract and retain talented employees, but that compensation should ultimately focus on the interests of employees at all levels of the Corporation being aligned with the interests of the Corporation's shareholders. The Corporation is of the view that individual employee compensation should be linked to the performance of both the Corporation and each individual employee.

The Corporation's compensation program is designed to reward executive officers for:

- superior corporate performance relative to pre-set internal objectives; and
- exceptional levels of individual performance consistent with, and contributing to the achievement of, the Corporation's strategic objectives.

Following the nationalization of the Malku Khota project in 2012, the Corporation's compensation program was revised to be more appropriate for a company of the Corporation's size and operations. Many aspects of the program were simplified, including the discontinuance of the performance share unit plan. The size of the management team was reduced and significant cost-cutting measures implemented, including the closure of the Vancouver head office and termination of numerous employees.

In addition, in connection with the acquisition of High Desert Gold Corporation in December 2013, the combined management team was further reduced and further cost-cutting measures implemented, including reduced base salaries for several executive officers. In January 2016, each executive officer's salary was further reduced to preserve the cash of the Corporation. Those reduced salaries are continuing.

#### *Risk Management*

The Board is responsible for identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks. The Board fulfils these responsibilities through the various committees including through the Compensation Committee in relation to

compensation aspects. The Board is ultimately responsible for considering the implications of risks associated with the Corporation's compensation policies and practices, if any. Through the Compensation Committee, the Board is involved in the design of compensation policies to meet the specific compensation objectives discussed above and considers the risks relating to such policies, if any. The Compensation Committee is ultimately responsible for ensuring compliance of the compensation policies and practices of the Corporation. To date, the Board and Compensation Committee have not identified any risks arising from the Corporation's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Corporation.

### *Elements of Compensation*

The Corporation currently provides a compensation program for executive officers comprised of base salary, annual incentive bonus and stock options. The Corporation also provides basic perquisites and benefits to its executive officers on the same basis that they are generally available to all employees. All executive officers of the Corporation have termination and change of control provisions in their employment agreements. The Corporation does not provide a defined benefit pension plan or a defined contribution pension plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

#### (a) Base Salary

The Board determines the base salary payable to the CEO after consideration of the evaluation conducted by and the recommendation of the Compensation Committee. The Compensation Committee, in consultation with the CEO, oversees the evaluation of and determines the base salaries of the other executive officers of the Corporation.

The base salary of each NEO is influenced by the levels of compensation paid to executive officers of other publicly-traded mineral exploration and development companies. In addition, the Compensation Committee has in the past relied on a third party salary survey for Canadian public companies with under 100 employees in setting the base salaries for executive officers. The base salary for each individual is also influenced by the person's level of responsibility, the importance of the position to the Corporation, the amount of the individual's time dedicated to the Corporation and the individual's contribution to the Corporation's performance.

The base salaries for the management team are also influenced by the financial position of the Corporation and in January 2016 the base salaries for all executive officers were reduced to preserve the cash of the Corporation. Those reduced salaries are continuing.

#### (b) Annual Incentive Bonus

The Board determines the annual incentive bonus payable to the CEO after consideration of the evaluation conducted by and the recommendations of the Compensation Committee. The Compensation Committee, in consultation with the CEO, oversees the evaluation of and determines the annual incentive bonuses of the other executive officers of the Corporation.

Annual incentive bonuses for NEO's are directly related to individual and corporate performance. At the beginning of each financial year, the Board approves the corporate goals and objectives for the year and determines which of the executive officers is responsible, and to what extent, for the achievement of each goal, the timeline for achievement and how the success of each goal will be measured. Following the end of the year, the Compensation Committee, in consultation with the CEO, reviews the prior year's goals

and determines the extent to which each goal has been achieved. These determinations then factor into the assessment of each executive officer's performance for the year and the amount of the annual incentive bonus to be paid to that executive officer.

Given the Corporation's need to conserve cash, no annual incentive bonuses were awarded to the Corporation's executive officers in respect of 2014, 2015 or 2016.

(c) Stock Options

The Corporation provides long-term incentives to executive officers through the grant of stock options under the Corporation's share incentive plan. The objective in granting stock options is to encourage an ownership interest in the Corporation over a period of time, which acts as a financial incentive to consider the long-term interest of the Corporation and its shareholders.

The Compensation Committee makes recommendations from time to time to the Board in respect of stock option grants to each executive officer taking into consideration the level of responsibility and the importance of the position to the Corporation. Previous grants are not taken into consideration when considering new grants. The Board then makes the final determination of stock option grants to executive officers, with each recipient abstaining from discussing or voting on any resolution in respect of option grants to himself or herself. The Compensation Committee also periodically reviews the Corporation's Share Incentive Plan to consider if any amendments are advisable. See "Outstanding Share-Based Awards and Option-Based Awards."

*Payments on "Change of Control"*

The employment agreement between the Corporation and each NEO contains payment provisions relating to a "change of control" of the Corporation as more fully described below under the heading "Termination and Change of Control Benefits".

The change of control payment provisions were included in each respective NEO's employment agreement in order to attract and retain the most highly qualified individuals to act as executive officers of the Corporation and were designed to protect each NEO financially in the event of a loss of employment following a change of control.

In 2013, the terms of employment for each NEO were renegotiated and each NEO's rights on termination or a change of control were reduced. See "Termination and Change of Control Benefits".

*Other Compensation-Related Matters*

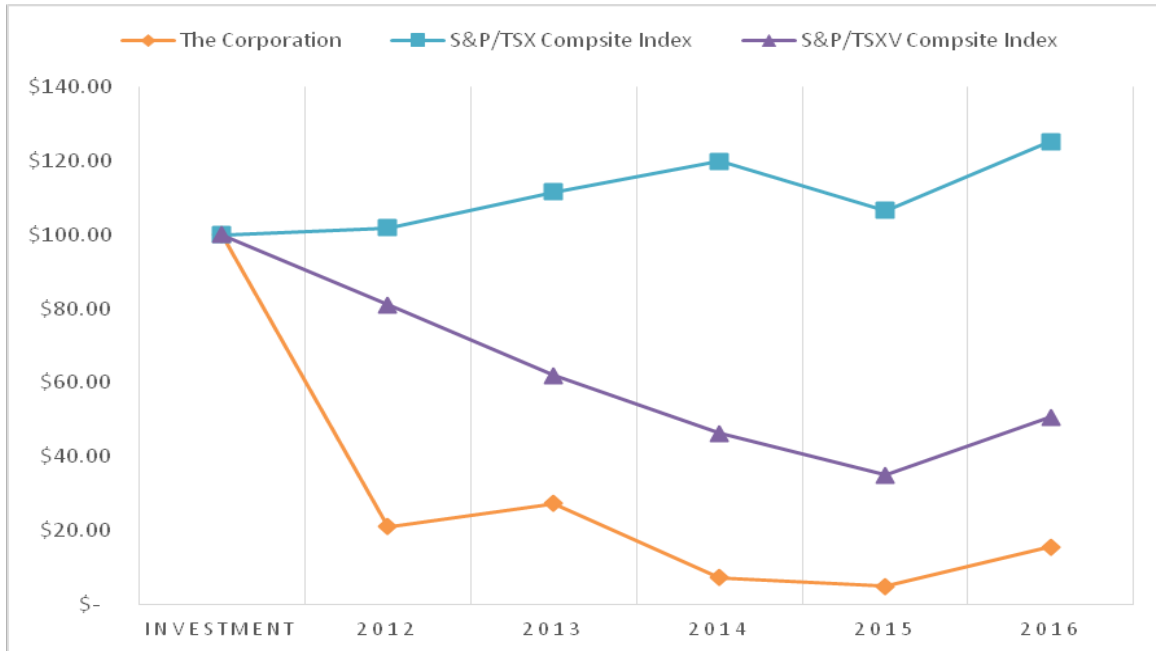
*Financial Instruments:* The Corporation's Share Trading Policy requires pre-approval for trades by insiders, including the entering into of any "equity monetization" transactions or purchases of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities.

*Anticipated Changes to Compensation Policies and Practices:* The Corporation does not intend to make any significant changes to its compensation policies and practices for fiscal 2017.

### Performance Graph

The chart below compares the total shareholder return on a \$100 investment in Common Shares to the total return of the S&P/TSX Composite Index and the S&P/TSXV Composite Index for five most recently completed financial years.

**Comparison of Cumulative Total Shareholder Return on a \$100 Investment in Common Shares, the S&P/TSX Composite Index and S&P/TSXV Composite Index**



Cumulative Return	Investment	2012	2013*	2014*	2015*	2016
The Corporation	\$100	\$21.03	\$27.24	\$7.24	\$4.83	\$15.52
S&P/TSX Composite Index	\$100	\$101.84	\$111.57	\$119.86	\$106.57	\$125.22
S&P/TSXV Composite Index	\$100	\$81.08	\$61.87	\$46.18	\$34.90	\$50.61

\*Reflects the aggregate value of Common Shares and Class B Non-Voting Shares as each Common Share of the Corporation was exchanged for one new Common Share and one Class B Non-Voting Share of the Corporation (the "Class B Shares") pursuant to the Corporation's plan of arrangement with High Desert Gold Corporation ("HDG") dated December 20, 2013 (the "Arrangement").

The Corporation's shares are listed for trading on the Toronto Stock Exchange, however, the S&P/TSXV Composite Index may be a more appropriate comparison for the Corporation given that it is a mineral exploration and development company. In 2012, the Corporation's Common Share price declined significantly after the nationalization of the Malku Khota project by the Bolivian government and also followed the general downward trend in the S&P/TSXV Composite Index through 2012. The Corporation's share price returned to an upward trend and outperformed the market as of December 31, 2013 due in part to the anticipation of the exchange of outstanding Common Shares for Common Shares and Class B Shares pursuant to the Arrangement. In 2014, the Corporation's share price followed the downward trend in the S&P/TSXV Composite Index but more steeply following the significant increase in late 2013 prior to the Arrangement. In 2015, the Corporation's share price followed the downward

trend in the S&P/TSXV Composite Index but less steeply than in 2014. In 2016, the Corporation's share price followed the upward trend in the S&P/TSXV Composite Index more steeply than in 2015.

In 2012, with the exception of the Executive Vice-President of Exploration, South America base salaries were generally held flat. No cash incentive bonuses for senior management were paid in 2012 although options were issued to the then President and CEO and the Chief Financial Officer in connection with their appointments to their positions. In 2013, base salaries were generally held flat. In late 2013 amended employment agreements were entered into with the continuing executive officers which generally reduced base salaries and rights on termination. Base salaries for the executive officers were further reduced in January 2016. Also in late 2013 options were granted to the continuing executive officers. Cash bonuses were paid to the Chief Financial Officer, Executive Vice-President of Exploration, South America and Executive Vice-President of Exploration, North America in respect of 2013. In respect of 2014, 2015 and 2016, no cash bonuses were paid to the executive officers.

### Named Executive Officers' Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* (“Form 51-102F6”) under National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”)) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the financial years ended December 31, 2016, 2015, and 2014 in respect of the Chief Executive Officer, the Chief Financial Officer, and each of the other most highly compensated executive officers of the Corporation whose total compensation exceeded C\$150,000 for the year ended December 31, 2016 (the “Named Executive Officers” or “NEOs”).

Name and principal position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$) <sup>(1)</sup>	Non-equity incentive plan compensation		All other compensation (US\$) <sup>(2)</sup>	Total compensation (US\$)
					Annual incentive plans (US\$)	Long-term incentive plans		
Ralph Fitch, President and Chief Executive Officer <sup>(3)</sup>	2016	141,000 <sup>(4)</sup>	—	44,668	—	—	—	185,668
	2015	235,000	—	23,113	—	—	—	258,113
	2014	235,000	—	13,620	—	—	—	248,620
Matias Herrero, Chief Financial Officer	2016	138,750 <sup>(4)</sup>	—	44,668	—	—	—	183,418
	2015	185,000	—	21,472	—	—	—	206,472
	2014	185,000	—	10,897	—	—	—	195,897
Felipe Malbran, Executive Vice-President of Exploration, South America	2016	138,750 <sup>(4)</sup>	—	31,268	—	—	—	170,018
	2015	185,000	—	19,011	—	—	—	204,011
	2014	185,000	—	6,810	—	—	—	191,810
Randall Moore, Executive Vice-President of Exploration, North America <sup>(6)</sup>	2016	138,750 <sup>(4)</sup>	—	31,268	—	—	—	170,018
	2015	185,000	—	19,011	—	—	—	204,011
	2014	185,000	—	6,810	— <sup>(5)</sup>	—	—	191,810

**Notes:**

- (1) The fair values of the options granted have been estimated using the Black-Scholes option-pricing model. Assumptions used in the pricing model are as follows: average risk-free interest rate – 2016 – 1.4% (2015 – 2%, 2014 – 1.9%); expected life – 5 years (2015 – 3 to 5 years, 2014 – 5 years); expected volatility – 104% to 105% (2015 – 103% to 107%, 2014 – 101%); and expected dividends – nil.
- (2) The aggregate value of perquisites and other personal benefits was less than 10% of the annual salary of such executive officer.
- (3) Mr. Fitch was appointed President and Chief Executive Officer of the Corporation effective November 30, 2013. He also served as Executive Chairman from March 29, 2010 to November 21, 2016.



- (4) If, as of any date subsequent to January 1, 2016, the Corporation's cash position exceeds US\$5 million, a NEO's base salary shall be reinstated to the NEO's respective base salary. See "Employment Agreements" below.
- (5) The amount of \$27,500 was paid in December 31, 2014, in respect of the financial year ended December 31, 2013 and accrued in the Corporation's 2013 financial statements.
- (6) Mr. Moore commenced employment with the Corporation on December 20, 2013, the effective date of the Arrangement.

### *Employment Agreements*

#### Ralph G. Fitch

The Corporation has entered into an employment agreement pursuant to which Mr. Fitch is paid a base salary of US\$235,000 per year (as of November 30, 2013), subject to periodic review, and is eligible for an annual incentive bonus up to US\$95,000 as determined by the Board of Directors of the Corporation from time to time. As of January 1, 2016, Mr. Fitch's base salary was reduced to 60% of his previous base salary. If, as of any date subsequent to January 1, 2016, the Corporation's cash position exceeds US\$5 million, Mr. Fitch's base salary shall be reinstated to US\$235,000.

In addition, Mr. Fitch is eligible to participate in the Share Incentive Plan and, as of April 13, 2017, holds 1,515,000 options with tandem share appreciation rights, of which 100,000 are each exercisable for one Common Share and one Class B Share and 1,415,000 are each exercisable for one Common Share. See also "Termination and Change of Control Benefits" below.

#### Matias Herrero

The Corporation has entered into an employment agreement pursuant to which Mr. Herrero was paid a base salary of US\$185,000 per year (as of January 1, 2014), subject to periodic review, and is eligible for an annual incentive bonus up to US\$25,000 as determined by the Board of Directors of the Corporation from time to time. As of January 1, 2016, Mr. Herrero's base salary was reduced to 75% of his previous base salary. If, as of any date subsequent to January 1, 2016, the Corporation's cash position exceeds US\$5 million, Mr. Herrero's base salary shall be reinstated to US\$185,000.

In addition, Mr. Herrero is eligible to participate in the Share Incentive Plan and, as of April 13, 2017, holds 1,150,000 options with tandem share appreciation rights each exercisable for one Common Share. See also "Termination and Change of Control Benefits" below.

#### Felipe Malbran

The Corporation has entered into an employment agreement pursuant to which Mr. Malbran is paid a base salary of US\$185,000 per year (as of January 1, 2014), subject to periodic review, and is eligible for an annual incentive bonus up to US\$25,000 as determined by the Board of Directors of the Corporation from time to time. As of January 1, 2016, Mr. Malbran's base salary was reduced to 75% of his previous base salary. If, as of any date subsequent to January 1, 2016, the Corporation's cash position exceeds US\$5 million, Mr. Malbran's base salary shall be reinstated to US\$185,000.

In addition, Mr. Malbran is eligible to participate in the Share Incentive Plan and, as of April 13, 2017, holds 1,008,333 options with tandem share appreciation rights of which 83,333 are each exercisable for one Common Share and one Class B Share and 925,000 are each exercisable for one Common Share. See also "Termination and Change of Control Benefits" below.

## Randall Moore

The Corporation has entered into an employment agreement pursuant to which Mr. Moore is paid a base salary of US\$185,000 per year (as of December 20, 2013), subject to periodic review, and is eligible for an annual incentive bonus up to US\$25,000 as determined by the Board of Directors of the Corporation from time to time. As of January 1, 2016, Mr. Moore's base salary was reduced to 75% of his previous base salary. If, as of any date subsequent to January 1, 2016, the Corporation's cash position exceeds US\$5 million, Mr. Moore's base salary shall be reinstated to US\$185,000.

In addition, Mr. Moore is eligible to participate in the Share Incentive Plan and, as of April 13, 2017, holds 1,117,500 options with tandem share appreciation rights each exercisable for one Common Share. See also "Termination and Change of Control Benefits" below.

### **Incentive Plan Awards**

#### *Share-Based Awards*

In past years, share-based awards were performance share units (PSUs) granted pursuant to the Corporation's Share Incentive Plan. In April 2013 the PSU plan was discontinued. For a description of the Share Incentive Plan, see "Other Information – Share Incentive Plan".

#### *Option-Based Awards*

Option-based awards are stock options with or without tandem share appreciation rights granted pursuant to the Corporation's Share Incentive Plan. Awards granted prior to December 20, 2013 are each exercisable for one Common Share and one Class B Share. Former HDG options adjusted pursuant to the Arrangement and awards granted following December 20, 2013 are each exercisable for one Common Share. For a description of the Corporation's Share Incentive Plan, see "Other Information – Share Incentive Plan".

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2016, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)
Ralph Fitch	27,500 <sup>(4)</sup>	1.05	March 29, 2017 <sup>(5)</sup>	Nil	-	-
	100,000 <sup>(3)</sup>	0.44	October 21, 2018	2,500	-	-
	165,000 <sup>(4)</sup>	0.655	October 22, 2018	Nil	-	-
	500,000 <sup>(4)</sup>	0.10	December 23, 2018	62,500	-	-
	250,000 <sup>(4)</sup>	0.42	November 13, 2019	Nil	-	-
	250,000 <sup>(4)</sup>	0.21	August 12, 2020	3,750	-	-
	250,000 <sup>(4)</sup>	0.305	May 19, 2021	Nil	-	-
Matias Herrero	500,000 <sup>(4)</sup>	0.10	December 23, 2018	62,500	-	-
	200,000 <sup>(4)</sup>	0.42	November 13, 2019	Nil	-	-
	200,000 <sup>(4)</sup>	0.21	August 12, 2020	3,000	-	-
	250,000 <sup>(4)</sup>	0.305	May 19, 2021	Nil	-	-
Felipe Malbran	83,333 <sup>(3)</sup>	0.44	October 21, 2018	2,083	-	-
	500,000 <sup>(4)</sup>	0.10	December 23, 2018	62,500	-	-
	125,000 <sup>(4)</sup>	0.42	November 13, 2019	Nil	-	-
	125,000 <sup>(4)</sup>	0.21	August 12, 2020	1,875	-	-
	175,000 <sup>(4)</sup>	0.305	May 19, 2021	Nil	-	-
Randall Moore	41,250 <sup>(4)</sup>	1.05	March 29, 2017 <sup>(5)</sup>	Nil	-	-
	192,500 <sup>(4)</sup>	0.655	October 22, 2018	Nil	-	-
	500,000 <sup>(4)</sup>	0.10	December 23, 2018	62,500	-	-
	125,000 <sup>(4)</sup>	0.42	November 13, 2019	Nil	-	-
	125,000 <sup>(4)</sup>	0.21	August 12, 2020	1,875	-	-
	175,000 <sup>(4)</sup>	0.305	May 19, 2021	Nil	-	-

**Notes:**

- (1) Based on the December 31, 2016 closing price of one Common Share of CAD\$0.225 and one Class B Share of CAD\$0.24.
- (2) Although the Corporation's financial statements are reported in US\$, the Common Shares are listed on the Toronto Stock Exchange, thus trade in CAD\$.
- (3) Each exercisable for one Common Share and one Class B Share.
- (4) Each exercisable for one Common Share.
- (5) These options expired unexercised.

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

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2016 for each incentive plan award.

Name	Option-based awards – Value vested during the year (CAD\$)	Share-based awards – Value vested during the year (CAD\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Ralph Fitch	58,334 <sup>(1)</sup>	-	-
Matias Herrero	57,000 <sup>(2)</sup>	-	-
Felipe Malbran	55,000 <sup>(3)</sup>	-	-
Randall Moore	55,000 <sup>(4)</sup>	-	-

**Notes:**

- (1) Based on (i) 83,333 options with an exercise price of CAD\$0.42 which vested on November 13, 2016 when Common Shares last traded at CAD\$0.23 representing no value, (ii) 83,333 options with an exercise price of CAD\$0.21 which vested on August 12, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$6,667, (iii) 166,667 options with an exercise price of CAD\$0.10 which vested on June 23, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$31,667, (iv) 166,666 options with an exercise price of CAD\$0.10 which vested on December 23, 2016 when Common Shares last traded at CAD\$0.22 representing a value of CAD\$20,000, and (v) 83,333 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.
- (2) Based on (i) 66,667 options with an exercise price of CAD\$0.42 which vested on November 13, 2016 when Common Shares last traded at CAD\$0.23 representing no value, (ii) 66,667 options with an exercise price of CAD\$0.21 which vested on August 12, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$5,333, (iii) 166,667 options with an exercise price of CAD\$0.10 which vested on June 23, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$31,667, (iv) 166,666 options with an exercise price of CAD\$0.10 which vested on December 23, 2016 when Common Shares last traded at CAD\$0.22 representing a value of CAD\$20,000, and (v) 83,333 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.
- (3) Based on (i) 41,667 options with an exercise price of CAD\$0.42 which vested on November 13, 2016 when Common Shares last traded at CAD\$0.23 representing no value, (ii) 41,667 options with an exercise price of CAD\$0.21 which vested on August 12, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$3,333, (iii) 166,667 options with an exercise price of CAD\$0.10 which vested on June 23, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$31,667, (iv) 166,666 options with an exercise price of CAD\$0.10 which vested on December 23, 2016 when Common Shares last traded at CAD\$0.22 representing a value of CAD\$20,000 and (v) 58,333 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.
- (4) Based on (i) 41,666 options with an exercise price of CAD\$0.42 which vested on November 13, 2016 when Common Shares last traded at CAD\$0.23 representing no value, (ii) 41,667 options with an exercise price of CAD\$0.21 which vested on August 12, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$3,333, (iii) 166,667 options with an exercise price of CAD\$0.10 which vested on June 23, 2016 when Common Shares last traded at CAD\$0.29 representing a value of CAD\$31,667, (iv) 166,666 options with an exercise price of CAD\$0.10 which vested on December 23, 2016 when Common Shares last traded at CAD\$0.22 representing a value of CAD\$20,000 and (v) 58,333 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.

**Termination and Change of Control Benefits**

The employment agreement between the Corporation and each NEO contains payment provisions in connection with a termination of employment and following a “change of control” of the Corporation.

The Corporation may terminate the employment agreement of the CEO, Chief Financial Officer or Executive Vice-President of Exploration, North America at any time, without cause, on payment of three months’ base salary, without giving effect to any reduction of base salary as set out above. The Corporation may terminate the employment agreement of Mr. Malbran at any time, without cause, on providing payment equal to the greater of three months’ base salary, without giving effect to any reduction of base salary as set out above, and the minimum amount, if any, required to be paid to Mr. Malbran under applicable labour laws.

Notwithstanding the foregoing, if the Corporation’s cash position does not exceed US\$2 million the Corporation may terminate each executive’s employment at any time after March 31, 2016 without cause on providing payment of one (1) month’s base salary, without giving effect to any reduction of base salary as set out above.

In addition, in the case of termination of a NEO’s employment without cause, all outstanding options held by the executive, as applicable, vest immediately and remain exercisable until the earlier of the date that is 12 months after the date such notice is given, and the original expiry date of such options (representing a value of CAD\$265,083 if vesting had occurred at December 31, 2016).

Each current NEO may resign at any time by providing the Corporation with advance written notice (at least 45 days in the case of Mr. Herrero and three months in the case of Messrs. Fitch, Malbran and Moore). Notwithstanding the foregoing, if the Corporation’s cash position does not exceed US\$2 million each NEO may resign at any time after March 31, 2016 by providing the Corporation with one (1)

month's advance written notice. The Corporation may waive such notice in whole or in part, in which case the NEO's resignation shall become effective on the day elected by the Corporation provided that the Corporation pays to the NEO the lesser of (i) pay in lieu of notice that would have been applicable under employment standards legislation if the NEO's employment with the Corporation had been terminated without just cause; and (ii) pay in lieu of the period of notice provided by the NEO that has been waived by the Corporation.

A "change of control" is defined in each NEO's employment agreement as:

- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of shares of the Corporation prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than 75% of the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (iv) any person, entity or group of persons or entities acting jointly or in concert (an "Acquiror") acquires or acquires control (including without limitation the right to vote or direct the voting) of voting securities of the Corporation which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 35% or more of the votes attached to all of the Corporation's outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation;
- (v) as a result of or in connection with:
  - (i) a contested election of directors; or
  - (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity,  
  
the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) the Board adopts a resolution to the effect that a "change of control" as defined herein has occurred or is imminent.

In the event of the resignation or termination of employment within 12 months following a "change of control" of the Corporation, each current NEO is entitled to receive from the Corporation a lump sum amount equal to six months' base salary without giving effect to any reduction of base salary as set out

above. (In the case of Mr. Fitch, a payment of US\$117,500 if triggered on December 31, 2016 and in each of the cases of Messrs. Herrero, Malbran and Moore, a payment of US\$92,500 in each case if triggered on December 31, 2016).

In addition, if there is a consolidation, merger, take-over bid, statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, a transfer of all or substantially all of the assets of the Corporation to another entity or a transaction of similar effect, all unvested options and share appreciation rights under the Share Incentive Plan held outstanding vest immediately and remain exercisable for the duration of their original term (representing nil value if vesting had occurred at December 31, 2016).

Payment of all remuneration and benefits under the employment agreements is conditional upon the NEO abiding by the confidentiality, non-solicitation, non-competition and other provisions set out below:

Confidential Information: Each NEO is obligated to protect the confidentiality of information concerning the Corporation and its business activities. Confidential Information may not be disclosed or used except in the course of performing duties to the Corporation with the knowledge and consent of the Corporation in its interest. "Confidential Information" means information known and used by the Corporation in connection with its business and affairs that is not known to the general public and includes research, strategic plans and objectives, unpublished financial information, customer and supplier lists and all intellectual property, including trade secrets, software, trademarks, copyrights and patents.

Non-Solicitation: During his employment with the Corporation and for a period of one year after his employment terminates for any reason whatsoever, each NEO is prohibited from soliciting, directly or indirectly, employees of the Corporation for the purpose of having them terminate their employment with the Corporation.

Non-Competition: Given the highly confidential and industry-specific information and knowledge that each NEO has and will acquire throughout his employment with the Corporation, each NEO is prohibited from, either during his employment with the Corporation or for a period of one year following his resignation, other than following a change of control, being employed or retained by, promoting or assisting, financially or otherwise, any company or business that competes, directly or indirectly, with the Corporation or any of its affiliates in respect of one or more properties or interests of such company or business that are located within a 10 kilometre radius of the exterior boundary of any property owned or controlled by the Corporation or any of its subsidiaries at any time while the NEO was employed by the Corporation pursuant to his employment agreement or otherwise. In addition, during his employment with the Corporation and for a period of one year after his employment terminates for any reason whatsoever, each NEO is prohibited from appropriating for himself or for any organization or person by which he is employed or retained, any of the Corporation's property or business opportunities that had arisen through the use of the Corporation's property, information or by virtue of the NEO's employment with the Corporation.

Intellectual Property: The employment agreement of each of NEO contains provisions regarding the Corporation's and NEO's intellectual property rights.

## Director Compensation

### *Director Compensation Table*

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors for the Corporation's most recently completed financial year ended December 31, 2016.

<b>Name</b>	<b>Fees earned (US\$)</b>	<b>Share-based awards</b>	<b>Option-based awards (US\$)<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation</b>	<b>All other compensation (US\$)</b>	<b>Total (US\$)</b>
Antonio Canton	10,200	—	31,268	—	—	41,468
Victor Dario	7,200	—	22,334	—	—	29,534
Roman Mironchik	9,000	—	22,334	—	—	31,334
Paul Sheehan	9,513	—	31,268	—	—	40,781
Robert van Doorn	8,325	—	69,575	—	—	77,900
Tina M. Woodside <sup>(2)</sup>	9,300	—	31,268	—	—	40,568

**Notes:**

- (1) The fair values of the options granted have been estimated using the Black-Scholes option-pricing model. Assumptions used in the pricing model are as follows: average risk-free interest rate – 1.4%; expected life – 5 years; expected volatility – 104% to 105%; and expected dividends – nil.
- (2) Paid to Gowling WLG (Canada) LLP.

Effective January 1, 2016, directors' fees were reduced by 40% from their prior level. In 2016, non-management Board members were compensated as follows (all pro-rated as required): an annual retainer of US\$5,400 for serving as a Board member, an annual retainer of US\$1,800, for serving as a committee chair, US\$600 for each in-person Board meeting attended and US\$300 for each Board meeting attended by conference call and each committee meeting attended.

See "Statement of Corporate Governance Practices – Attendance at Meetings" for each director's committee memberships and attendance at board and committee meetings during 2016.

Mr. Canton earned the following fees during the year ended December 31, 2016: US\$5,400 for serving on the board of directors; US\$1,800 for attending 6 board meetings by conference call; US\$1,800 for serving as Chair of the corporate governance and nominating committee; and US\$1,200 for attending 4 board committee meetings.

Mr. Dario earned the following fees during the year ended December 31, 2016: US\$5,400 for serving on the board of directors; and US\$1,500 for attending 5 board meetings by conference call; and US\$300 for attending 1 board committee meeting.

Mr. Mironchik earned the following fees during the year ended December 31, 2016: US\$5,400 for serving on the board of directors; US\$1,500 for attending 5 board meetings by conference call; and US\$2,100 for attending 7 board committee meetings.

Mr. Sheehan earned the following fees during the year ended December 31, 2016: US\$5,400 for serving on the board of directors; US\$1,800 for attending 6 board meetings by conference call; US\$1,113 for serving as Chair of the audit committee; and US\$1,200 for attending 4 board committee meetings.

Mr. van Doorn earned the following fees during the year ended December 31, 2016: US\$225 for board Chairman, US\$5,400 for serving on the board of directors; and US\$1,800 for attending 6 board meetings by conference call and US\$900 for attending 3 board committee meetings.

Ms. Woodside earned the following fees during the year ended December 31, 2016: US\$5,400 for serving on the board of directors; US\$1,800 for attending 6 board meetings by conference call; US\$1,800 for serving as Chair of the compensation committee; and US\$300 for attending 1 board committee meeting. All cash fees earned by Ms. Woodside are paid by the Corporation to Gowling WLG (Canada) LLP, a law firm in which Ms. Woodside is a partner.

#### *Incentive Plan Awards for Directors*

The directors of the Corporation are eligible to receive awards under the Corporation’s Share Incentive Plan described below under the heading “Other Information – Share Incentive Plan”.

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table (presented in accordance with Form 51-102F6) sets forth for each director all awards outstanding at the end of the most recently completed financial year ended December 31, 2016, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)
Antonio Canton	175,000 <sup>(2)</sup> 175,000 <sup>(3)</sup> 175,000 <sup>(3)</sup> 175,000 <sup>(3)</sup>	0.44 0.42 0.21 0.305	October 21, 2018 November 14, 2019 August 12, 2020 May 19, 2021	4,375 Nil 2,625 Nil	—	—
Victor Dario	300,000 <sup>(3)</sup> 125,000 <sup>(3)</sup>	0.21 0.305	August 12, 2020 May 19, 2021	4,500 Nil	—	—
Roman Mironchik	300,000 <sup>(2)</sup> 125,000 <sup>(3)</sup> 125,000 <sup>(3)</sup> 125,000 <sup>(3)</sup>	0.44 0.42 0.21 0.305	October 21, 2018 November 13, 2019 August 12, 2020 May 19, 2021	7,500 Nil 1,875 Nil	—	—
Paul Sheehan	300,000 <sup>(3)</sup> 125,000 <sup>(3)</sup> 125,000 <sup>(3)</sup> 175,000 <sup>(3)</sup>	0.365 0.42 0.21 0.305	January 28, 2019 November 13, 2019 August 12, 2020 May 19, 2021	Nil Nil 1,875 Nil	—	—
Robert van Doorn	300,000 <sup>(3)</sup> 125,000 <sup>(3)</sup> 250,000 <sup>(3)</sup> 50,000 <sup>(3)</sup>	0.21 0.305 0.285 0.225	August 12, 2020 May 19, 2021 October 10, 2021 November 21, 2021	4,500 Nil Nil Nil	—	—



Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)
Tina M. Woodside	27,500 <sup>(3)</sup>	1.055	March 29, 2017 <sup>(4)</sup>	Nil	—	—
	125,000 <sup>(2)</sup>	0.44	October 21, 2018	3,125		
	68,750 <sup>(3)</sup>	0.655	October 22, 2018	Nil		
	175,000 <sup>(3)</sup>	0.42	November 13, 2019	Nil		
	175,000 <sup>(3)</sup>	0.21	August 12, 2020	2,625		
	175,000 <sup>(3)</sup>	0.305	May 19, 2021	Nil		

**Notes:**

- (1) Based on the December 31, 2016 closing price of one Common Share of CAD\$0.225 and one Class B Share of CAD\$0.24.
- (2) Each exercisable for one Common Share and one Class B Share.
- (3) Each exercisable for one Common Share.
- (4) These options expired unexercised.

*Incentive Plan Awards – Value Vested or Earning During The Year*

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director during the most recently completed financial year ended December 31, 2016 for each incentive plan award.

Name	Option-based awards – Value vested during the year (CAD\$)	Share-based awards – Value vested during the year (CAD\$)	Non-equity incentive plan compensation – Value earned during the year (CAD\$)
Antonio Canton	Nil <sup>(1)</sup>	N/A	N/A
Victor Dario	Nil <sup>(2)</sup>	N/A	N/A
Roman Mironchik	Nil <sup>(2)</sup>	N/A	N/A
Paul Sheehan	Nil <sup>(1)</sup>	N/A	N/A
Robert van Doorn	Nil <sup>(3)</sup>	N/A	N/A
Tina M. Woodside	Nil <sup>(1)</sup>	N/A	N/A

**Notes:**

- (1) Based on 175,000 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.
- (2) Based on 125,000 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value.
- (3) Based on (i) 125,000 options with an exercise price of CAD\$0.305 which vested on May 19, 2016 when Common Shares last traded at CAD\$0.305 representing no value; (ii) 250,000 options with an exercise price of CAD\$0.285 which vested on October 10, 2016 when Common Shares last traded at CAD\$0.285 representing no value; and (iii) 50,000 options with an exercise price of CAD\$0.225 which vested on November 21, 2016 when Common Shares last traded at CAD\$0.225 representing no value

## OTHER INFORMATION

### Securities Authorized for Issuance Under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which, equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders – Share Incentive Plan	10,840,458 Common Shares <sup>(1)</sup> and 1,033,333 Class B Shares	CAD\$0.31	4,812,521 Common Shares <sup>(2)</sup>
Equity compensation plans not approved by securityholders	—	—	—
<b>Total</b>	10,840,458 Common Shares <sup>(1)</sup> and 1,033,333 Class B Shares	CAD\$0.31	4,812,521 Common Shares <sup>(2)</sup>

**Notes:**

- (1) Includes 752,125 Common Shares issuable pursuant to former High Desert Gold Corporation options assumed under the Arrangement.  
(2) Based on Corporation's "10% rolling" Share Incentive Plan and 156,529,796 Common Shares issued and outstanding as of December 31, 2016. See "Share Incentive Plan" below.

### Share Incentive Plan

The Corporation has established a share incentive plan (the "Share Incentive Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Corporation and its affiliates. The disclosure below assumes that the shareholders of the Corporation will approve amendments to the Share Incentive Plan as set out in "Amendments to Share Incentive Plan" above.

The objectives of the Share Incentive Plan are:

- to assist the Corporation in recruiting and subsequently retaining highly qualified directors, officers, employees and service providers by offering an overall compensation package which is competitive with that offered by other mining companies at the Corporation's stage of development; and
- to align the interests of participants with the long-term interests of shareholders by encouraging the purchase and ownership of the Common Shares.

For the purposes of the Share Incentive Plan, a "Common Share" means a Common Share, as adjusted in accordance with the provisions of Share Incentive Plan, including the plan of arrangement of the Corporation with an effective date of December 20, 2013, and for greater certainty, with regard to awards issued by the Corporation prior to December 20, 2013 and outstanding on December 20, 2013, a "Common Share" means one Common Share and one Class B Share.

The fixed maximum percentage of Common Shares issuable under the Share Incentive Plan is 10% of the issued and outstanding Common Shares from time to time. The Share Incentive Plan automatically “reloads” after the issuance of Common Shares under an award provided that the number of Common Shares issuable under the Share Incentive Plan does not then exceed the maximum percentage of 10%. For purposes of these provisions, so long as any awards issued by the Corporation prior to December 20, 2013 continue to be outstanding, the shares available under the Share Incentive Plan also include that number of Class B Shares as are required to be issued by the Corporation upon the exercise of such awards pursuant to the adjustment provisions in the Share Incentive Plan.

As of the date hereof, the Share Incentive Plan is comprised of only a stock award plan as the performance share unit plan was discontinued effective April 22, 2013. Housekeeping amendments were also made to the Share Incentive Plan in December 2013 to confirm the continuance of the Corporation under the *British Columbia Business Corporations Act* and the meaning of “Common Share” of the Corporation under the Share Incentive Plan following the Arrangement. Further changes to the Share Incentive Plan were approved by the Board on April 25, 2017, subject to receipt of shareholder approval.

Under the current Share Incentive Plan, stock options, free-standing share appreciation rights (“SARs”) or SARs that are granted in tandem with a related option (“Tandem SARs”) may be granted.

The Board determines the participants who may participate in the Share Incentive Plan, as well as the number and the exercise price of each option or the basis value of each SAR at the time the option or SAR, as applicable, is granted. Participant means each eligible employee, eligible director and eligible consultant.

The number of Common Shares:

- (a) issued to insiders of the Company, within any one year period; and
- (b) issuable to insiders of the Company, at any time,

under the Share Incentive Plan or when combined with all of the Company’s other security based compensation arrangements (as defined by the TSX), shall not exceed 10% of the Corporation’s total issued and outstanding Common Shares, respectively. “Insider” is defined in the Share Incentive Plan as having the same meaning as “reporting insider” in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*. In addition the number of Common Shares issuable in any one fiscal year to all non-employee directors shall not exceed 1% of the outstanding Common Shares at that time.

The exercise price of an option or the basis value of a SAR cannot be lower than the most recent closing price of the Common Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, at the time the option or SAR is granted.

The period of time during which a particular option or SAR may be exercised is determined by the Board, subject to any Employment Contract or Consulting Contract (both as hereinafter defined), provided that no such period shall exceed 10 years. If an option or SAR expiration date falls within a “black-out period” (a period during which certain persons cannot trade Common Shares pursuant to a policy of the Corporation respecting restrictions on trading), or immediately following a black-out period, the expiration date is automatically extended to the date which is the tenth business day after the end of the black-out period, provided that no such extended exercise period shall exceed 10 years.

Upon exercise of a SAR, the participant is entitled to receive payment from the Corporation in an amount determined by multiplying the excess of the market price of a Common Share on the date of exercise over the basis value at which the SAR was originally granted. All payments are made in Common Shares, the number of which is calculated by dividing the payment amount by the market price of the Common Shares on the exercise date.

Tandem SARs are SARs granted in tandem with a related option or added to an outstanding option which give the awardee the right to surrender to the Corporation the vested portion of the option and to receive a distribution of Common Shares in an amount equal to the excess of the market price of a specified number of shares as of the date the SAR is exercised over the exercise price of the related option. To the extent a Tandem SAR is exercised, the related option will terminate at the time of such exercise.

Unless otherwise determined by the Board, each option or SAR becomes exercisable as to 33 ⅓% on a cumulative basis on the date of grant and at the end of each of the first and second years following the date of grant. Options with tandem SARs granted to non-management directors generally vest immediately.

Options and SARs may terminate prior to expiry of the exercise period in the following circumstances:

- on death of an awardee, options and SARs held as at the date of death become immediately exercisable notwithstanding any vesting provisions thereof and remain exercisable until the earlier of 12 months from such date and expiry of the exercise period; and
- if an awardee ceases to be a director, officer, employee and consultant of the Corporation or an affiliate for any reason other than death, including receipt of notice from the Corporation of the termination of his, her or its Employment Contract or Consulting Contract, all unvested options and SARs are cancelled as at the date of termination, and all vested options and SARs held as at the date termination remain exercisable until the earlier of 60 days following such date and expiry of the exercise period,

subject however to any contract between the Corporation and any employee relating to, or entered into in connection with, the employment of the employee or between the Corporation and any director with respect to his or her directorship or resignation therefrom (an "Employment Contract"), any contract between the Corporation and consultant relating to, or entered into in connection with, services to be provided to the Corporation (a "Consulting Contract") or any other agreement to which the Corporation is a party with respect to the rights of such person upon termination or change in control of the Corporation. See "Termination and Change of Control Benefits".

In order for options granted to U.S. participants to be considered Incentive Stock Options ("ISOs") for U.S. tax purposes, the maximum number of shares available for ISOs must be set out in the Share Incentive Plan. Accordingly, the Share Incentive Plan provides that not more than 3,000,000 Common Shares will be available for issuance pursuant to ISOs. There is no obligation on the Corporation to issue that number of ISOs and the inclusion of this maximum does not in any way restrict the number of Common Shares available for issuance otherwise pursuant to the Share Incentive Plan. To date, no ISOs have been granted under the Share Incentive Plan.

Rights under the Share Incentive Plan are not assignable or transferable except on the death of the participant.

If there is a consolidation, merger, take-over, amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, a transfer of all or substantially all of the assets of the Corporation to another entity, or a transaction of similar effect all unvested options, SARs and Tandem SARs will become vested and the holder shall be entitled to exercise such awards immediately prior to such event, unless the Board otherwise determines the basis upon which it shall be exercisable. In such event and in the event of a securities exchange take-over bid, the Corporation may, in certain circumstances, provide holders with the choice of exchanging their options if replacement options are offered.

Pursuant to Section 6.02 of the Share Incentive Plan, the Board may from time to time in its absolute discretion amend, modify and change the provisions of the Share Incentive Plan or any awards granted thereunder, provided that any amendment, modification or change to the provisions of the Share Incentive Plan or any awards granted pursuant thereto shall:

- not adversely alter or impair any award previously granted except as permitted thereunder;
- be subject to any regulatory approvals, where required, including the approval of the TSX, where required;
- be subject to shareholder approval in accordance with the rules of the TSX in circumstances where the amendment, modification or change to the Share Incentive Plan or award granted thereunder would:
  - reduce the exercise price of an option issued under the Share Incentive Plan (for this purpose, a cancellation or termination of an option of a participant prior to its expiry for the purpose of re-issuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option),
  - extend the term of an award beyond the original expiration date (other than as permitted under the Share Incentive Plan),
  - amend the insider participation limits in section 2.05 of the Share Incentive Plan which result in the security holder approval to be required on a disinterested basis,
  - remove or increase the insider participation limit under Section 2.05 of the Share Incentive Plan,
  - remove or increase the non-employee director participation limit under Section 2.06 of the Share Incentive Plan;
  - increase the fixed maximum percentage of Common Shares which may be issued under the Share Incentive Plan,
  - grant additional powers to the Board to amend the Share Incentive Plan,
  - amend Section 6.03 of the Share Incentive Plan that would permit options to be assigned or transferred, other than for normal estate settlement purposes, or
  - amend the provisions in Section 6.02 of the Share Incentive Plan;

- not be subject to shareholder approval in any circumstance (other than as set out above), including, but not limited to, circumstances where the amendment, modification or change to the Share Incentive Plan or award would:
  - be of a “housekeeping nature”, including any amendment to the Share Incentive Plan or an award granted thereto that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Share Incentive Plan or an award granted thereto to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
  - alter, extend or accelerate any vesting terms or conditions in the Share Incentive Plan or any awards granted thereto;
  - amend or modify any mechanics for exercising any award;
  - change the expiration date (including acceleration thereof) or change any termination provision in any award, provided that such change does not entail an extension beyond the original expiration date of such award (subject to such date being extended by virtue of the black-out period provisions of the Share Incentive Plan);
  - introduce a cashless exercise feature, payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Share Incentive Plan maximum;
  - change the application of the consolidation, merger, take-over bid, etc.; adjustment in number of shares subject to the Share Incentive Plan; or securities exchange take-over bid provisions of the Share Incentive Plan;
  - add a form of financial assistance or amend a financial assistance provision which is adopted;
  - change the eligible participants; or
  - add a deferred or restricted share unit provision or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation.

The Board may discontinue the Share Incentive Plan at any time without consent of the participants thereunder provided that such discontinuance shall not adversely alter or impair any award previously granted.

As of April 13, 2017, a total of 10,672,708 Common Shares and 1,033,333 Class B shares are reserved for issuance pursuant to options outstanding under the Share Incentive Plan (being approximately 6.8% of the issued and outstanding Common Shares and 0.9% of the issued and outstanding Class B shares). Up to an additional 4,980,271 Common Shares may be reserved for issuance pursuant to options or other awards which may be granted under the Share Incentive Plan for a total of 4,980,271 Common Shares and 1,033,333 Class B shares.

## **Indebtedness of Directors and Officers**

During the most recently completed financial year and as at the date hereof, no director, proposed nominee for election as a director, officer, employee or associate of any such persons has been or is indebted to the Corporation.

## **Interest of Informed Persons in Material Transactions**

Management of the Corporation is not aware of a material interest, direct or indirect, of any informed person of the Corporation (as defined in NI 51-102), any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The following information is provided in accordance with Form 58-101F1 under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58 101").

### **Board of Directors**

#### *Composition of the Board*

The Board is currently comprised of seven directors. The Board has considered the independence of each of its directors. Consistent with NI 58-101, to be considered independent, the Board must conclude that a director has no material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment and includes an indirect material relationship.

The Board has concluded that six of its directors (Messrs. Canton, Dario, Mironchik, Sheehan, van Doorn and Ms. Woodside) are "independent" for purposes of board membership as defined in NI 58-101 and therefore a majority of the directors are independent. By virtue of his position as President and CEO, Mr. Fitch is not considered "independent". Six of the seven management nominees for election as a director at the Meeting are considered "independent".

#### *Other Directorships*

Certain nominees and current directors of the Corporation are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. Information as to such other directorships is set out below.

<b>Nominee / Director</b>	<b>Public Corporation</b>
Victor Rene Dario	Active Growth Capital Inc. Vanadium One Energy Corp.
Robert van Doorn	Cardero Resource Corp.

### *Independent Directors Meetings*

The independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. During 2016, the independent directors held two such meetings.

### *Chair of the Board*

Mr. van Doorn is the Chairman of the Board. He is an independent director of the Corporation.

Prior to the appointment of Mr. Van Doorn as the Chairman of the Board on November 21, 2016, Mr. Mironchik was the Board's "lead director" and was an "independent" director, as defined in NI 58-101. The prime responsibility of the lead director is to provide leadership to the Board where the Chairman is not independent, to ensure that the Board operates independently of management and that the Board's agenda will enable it to successfully carry out its duties.

### *Attendance at Meetings*

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. The attendance record of each current director for all Board and committee meetings held during the financial year ended December 31, 2016 is as follows:

<b>Name</b>	<b>Board Meetings</b>	<b>Audit Committee Meetings</b>	<b>Compensation Committee Meetings</b>	<b>Corporate Governance and Nominating Committee Meetings</b>
Antonio Canton	6/6	-	1/1	3/3 (Chair)
Victor Dario	5/6	-	-	1/3
Ralph G. Fitch	6/6	-	-	-
Roman Mironchik	5/6	3/4	1/1	3/3
Paul Sheehan	6/6	4/4 (Chair)	-	-
Robert van Doorn <sup>(1)</sup>	6/6	3/4 <sup>(2)</sup>	-	-
Tina Woodside	6/6	-	1/1 (Chair)	-

**Note:**

- (1) Mr. van Doorn was appointed Chairman of the Corporation on November 21, 2016.
- (2) Mr. van Doorn was appointed Audit Committee member on May 6, 2016.

### **Board Mandate**

A copy of the Board's written mandate is attached as Schedule A to this Circular.

### **Board Committees**

There are currently three committees of the Board: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee.



### *Audit Committee*

The Corporation has an audit committee (the “Audit Committee”) which is currently composed of Messrs. Sheehan (Chair), Mironchik and van Doorn. All three members are “independent” and “financially literate” directors (as such terms are defined in National Instrument 52-110 – *Audit Committees*). The Audit Committee is responsible for, among other things:

- reviewing the annual financial statements and the interim financial statements, MD&A and related news releases and recommending their approval by the full Board;
- reviewing the proposed audit plan and proposed audit fees;
- overseeing the performance of the external auditors and recommending the appointment and compensation of the Corporation’s auditor;
- identifying the principal business risks and reviewing related risk management policies;
- reviewing and approving, or recommending approval to the full Board, all related party transactions, other than transactions entered into in the ordinary course of business;
- reviewing complaints and concerns under the Corporation’s Code of Business Conduct and Ethics (see “Ethical Business Conduct” below); and
- pre-approving all non-audit services.

The Board has adopted a charter for the Audit Committee which sets out the mandate and purpose of the Audit Committee, as well as its duties and responsibilities. A copy of the Audit Committee Charter is set out in Schedule “A” to the Corporation’s Annual Information Form which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Compensation Committee*

The Corporation has a compensation committee (the “Compensation Committee”) which is composed of Ms. Woodside (Chair) and Messrs. Canton and Mironchik. All members are “independent” directors (as such term is defined in NI 58-101). The Compensation Committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the CEO’s compensation (taking into account both short-term and long-term compensation goals), evaluating the CEO’s performance in light of stated corporate goals and objectives and recommending to the Board the CEO’s compensation level based on this evaluation;
- in consultation with the CEO, overseeing the evaluation of the Corporation’s other senior officers and determining the compensation of senior officers other than the CEO;
- assisting the Board in fulfilling its obligation to identify the principal risks associated with the Corporation’s compensation and human resources policies and practices, including in the design of compensation policies intended to meet the Corporation’s compensation objectives;
- reviewing the adequacy, amount and form of compensation paid to each director (and considering whether such compensation realistically reflects the time commitment, responsibilities and risks of directors) and making recommendations to the Board thereon;

- making recommendations to the Board with respect to the adoption or amendment of incentive compensation plans; and
- making recommendations to the Board with respect to the adoption or amendment of equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of incentive options in accordance with such plans.

The Board has adopted a charter for the Compensation Committee which sets out the mandate and purpose of the Compensation Committee, as well as its duties and responsibilities.

#### *Corporate Governance and Nominating Committee*

The Corporation has a corporate governance and nominating committee (the “CG&N Committee”), which is composed of Messrs. Canton (Chair), Dario and Mironchik. All members are “independent” directors (as such term is defined in NI 58-101). The CG&N Committee is responsible for, among other things:

- identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders;
- considering what the competencies and skills the Board, as a whole, should possess taking into account the tangible and intangible skills and qualities necessary for an effective Board given the Corporation’s stage of development, operational and financial condition, and strategic outlook;
- considering the length of service of each director and the level of representation of women on the Board;
- assessing what competencies and skills each existing director possesses (including the personality and other qualities of each director);
- considering the appropriate size of the Board, with a view to facilitating effective decision-making;
- identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees; and
- conducting an annual review and assessment of the Board’s performance and effectiveness, as well as the effectiveness and contribution of each Board committee and each individual director.

The Board has adopted a charter for the CG&N Committee which sets out the mandate and purpose of the CG&N Committee, as well as its duties and responsibilities.

#### **Position Descriptions**

The Board has developed written position descriptions for the Chairman, the Chief Executive Officer, the Chairs of the Board committees and individual directors. The CG&N Committee is responsible for, at least annually, reviewing and making recommendations to the Board regarding the position descriptions.

## **Orientation and Continuing Education**

The CG&N Committee is responsible for reviewing and making recommendations to the Board regarding orientation to be provided to all new members of the Board to ensure that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Corporation's business.

To provide orientation to new directors regarding the role of the Board and its committees, new directors are provided with copies of relevant position descriptions, the Board mandate and the charters of the Board committees. To orient new directors on the nature and operation of the Corporation's business, new directors are provided with copies of the most recent public filings of the Corporation. New directors also meet with the President and CEO to review in detail the business of the Corporation.

The CG&N Committee is responsible for reviewing and making recommendations to the Board regarding continuing education opportunities to be provided to all directors, so individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current. The Board has no current formal continuing education program. One of the Corporation's independent directors, Ms. Woodside, has conducted a site visit to the Escalones property in Chile and visited the Corporation's office in Santiago, Chile. Two of the Corporation's independent directors, Mr. van Doorn and Ms. Woodside, have conducted site visits to the Gold Springs property on the Nevada/Utah border. From time to time, the President and Chief Executive Officer meets with individual directors to update them on issues relating to the business, and, in between Board meetings, the Chief Executive Officer and the Chief Financial Officer also provide updates (in writing and verbally) to the directors regarding the Corporation's business and financial condition to ensure that the directors maintain the level of knowledge regarding the Corporation and its industry necessary for them to meet their obligations as directors.

Directors are individually responsible for updating their skills necessary to meet their obligations as directors. Several directors have either public company senior officer experience or extensive experience on other boards. One of the independent directors have graduated from formal director education programs, Ms. Woodside being a Certified Director of the Institute of Corporate Directors.

## **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") that applies to all directors, officers and employees of the Corporation and its subsidiaries. A copy of the Code is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The CG&N Committee is responsible for monitoring compliance with the Code. A waiver of the Code will be granted only in exceptional circumstances and by the full Board only. The Code requires all Corporation personnel to promptly report any problems or concerns and any actual or potential violations of the Code pursuant to the Corporation's whistleblower policy. Concerns or complaints can be reported on an anonymous basis. To ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest, the Code requires directors and executive officers who have a material interest in any transaction that the Corporation proposes to enter into, to disclose such interest to the Board and comply with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement.

## **Nomination of Directors**

The Board is responsible for nominating directors on the recommendations of the CG&N Committee. The CG&N Committee is composed entirely of independent directors. The responsibilities, powers and operation of the CG&N Committee with respect to nomination matters are summarized above under “Corporate Governance and Nominating Committee”.

## **Compensation**

The Board determines the compensation of the Corporation’s directors and the Chief Executive Officer based on the recommendations of the Compensation Committee. The Compensation Committee, in consultation with the Chief Executive Officer, determines the compensation of the Corporation’s other senior officers. The Compensation Committee is composed entirely of independent directors. The responsibilities, powers and operation of the Compensation Committee with respect to compensation matters are summarized above under “Compensation Committee”.

## **Board Assessment**

The CG&N Committee is responsible for conducting an annual review and assessment of the Board’s performance and effectiveness, as well as the effectiveness and contribution of each Board committee and each individual director. Such an assessment considers: (i) in the case of the Board or a Board committee, compliance with its respective mandate or charter; and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.

The current annual review and assessment process includes the completion of annual assessment questionnaires assessing the performance of the Board, the Chairman and the director’s own performance as a director, and the performance of the Chair of any Board committees on which the director serves. The CG&N Committee reviews the assessment of the Board as a whole and considers the appropriate size of the Board with a view to facilitating effective decision-making and striking the appropriate balance between independent and non-independent directors, taking into account securities law and proxy advisory firm requirements for independence. The Chair of the CG&NC meets with the Chairman to provide feedback on the annual assessment of the Board as a whole and the Chairman, and the Chairman reports to the Board the results of the annual assessment of the Board as a whole. The Chairman also meets with each individual director and provides feedback on individual’s performance as a director, committee member and committee Chair, if applicable.

## **Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation has not adopted term limits for the directors or other formal mechanisms of Board renewal as term limits could restrict the Corporation’s ability to benefit from the contributions of otherwise qualified, experienced directors. As noted above, the CG&N Committee is responsible for assessments of the Board and director nominees and considers the potential contributions of new directors. In six of the last nine years, the list of management nominees for the election of directors at the annual shareholder meeting of the Corporation has included at least one new director who was not elected to the Board at the previous annual shareholder meeting.

## **Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not adopted a written policy relating specifically to the identification and nomination of women directors as the Corporation's written director nomination procedure takes into account a broader range of relevant considerations. The Corporation does consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, however gender is only one factor in the consideration of the competencies and skills the Board, as a whole, should possess taking into account the tangible and intangible skills and qualities necessary for an effective Board given the Corporation's stage of development, operational and financial condition, and strategic outlook. Other factors include the qualities of the proposed nominee such as integrity, business judgment, independence, business or professional expertise, residency and familiarity with nature of business and geographic regions relevant to the Corporation's strategic priorities. At this time the Corporation has not adopted a target regarding the number or percentage of women on the Board. Currently, the Corporation has one woman on the Board, representing 14.3% of the number of directors of the Corporation.

The Corporation has not considered the level of representation of women in executive officer positions when making the limited number of executive officer appointments. Three of the Corporation's four executive officers are long standing employees of the Corporation or its predecessors, and the Corporation's Chief Financial Officer was appointed with consideration of his unique experience relevant to the Corporation's strategic priorities. None of the Corporation's current executive officers are women. In the future, the Corporation may consider the level of representation of women in executive officer positions when making executive officer appointments, however the Corporation has not adopted a target regarding the number or percentage of women in executive officer positions given the infrequency of such appointments and need to consider all qualifications of potential appointees in selecting the best candidate for the position.

## **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

The *Business Corporations Act* (British Columbia), which governs the Corporation, provides that shareholder proposals must be received at the registered office of the Corporation at least three months before the anniversary date of the Meeting to be considered for inclusion in the proxy statement and the form of proxy for the 2018 annual general meeting of shareholders.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2016.

In addition, copies of the Corporation's audited financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

The Corporation's investor relations group responds to inquiries from shareholders and other interested parties.

**DIRECTORS' APPROVAL**

The directors of the Corporation have approved the contents and the sending of this Circular.

**BY ORDER OF THE BOARD**

*“Ralph G. Fitch”*

Denver, Colorado  
April 13, 2017

Ralph G. Fitch  
President and Chief Executive Officer

## **SCHEDULE A**

### **BOARD OF DIRECTORS MANDATE**

#### **1. Mandate**

The board of directors (the “Board”) of TriMetals Mining Inc. (the “Company”) is responsible for the stewardship of the Company and discharges such responsibility by supervising the management of the business and affairs of the Company, with a view to preserving and enhancing shareholder value.

#### **2. Expectations and Responsibilities of Directors**

The Board expects that each director will, among other things:

- (i) act honestly, in good faith with a view to the best interests of the Company;
- (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (iii) commit the time and energy necessary to properly carry out his or her duties;
- (iv) attend all Board and committee meetings, as applicable; and
- (v) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

The Board expects that the chief executive officer (“CEO”) and the other executive officers of the Company will conduct themselves with integrity and that the CEO and other executive officers will create a culture of integrity throughout the Company.

#### **3. Authority**

The Board is responsible for implementing a system which enables an individual director, the Board or a committee to engage an external advisor at the expense of the Company in appropriate circumstances. Unless otherwise specified in a committee charter, the engagement of the external advisor shall be subject to the approval of the Board.

The Board has the authority to delegate to individual members or committees of the Board where appropriate.

The Board shall have complete access to appropriate Company personnel in order to secure all information necessary to fulfill its duties.

#### **4. Composition**

To the extent feasible, the Board shall be composed of a majority of “independent” directors as such term is defined under applicable securities legislation.

The Board shall appoint one director to act as a Chair of the Board. Where the Chair is not independent, an independent director may be appointed as “lead director”, to act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties. If in any year the

Board does not appoint a Chair or lead director, if applicable, the incumbent Chair and lead director, if applicable, will continue in office until a successor is appointed. If the Chair or lead director, if applicable, is absent from any meeting, the Board shall select one of the other directors present to preside at that meeting.

## **5. Meetings**

The Board shall meet at least five times per year, including at least once in each quarter to carry out its responsibilities under this Mandate, including a review of the business operations and financial results of the Company, and as many additional times as the Board deems necessary to carry out its duties. The Chair or lead director, if applicable, shall develop and set the Board's agenda, in consultation with other members of the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each director, at least 72 hours (excluding holidays) prior to the time fixed for such meeting.

A majority of the Board shall constitute a quorum. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Board may invite such officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Board.

The Board shall meet without management present whenever the Board deems it appropriate.

The Board shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Board shall be recorded and maintained by the Secretary and shall be subsequently presented to the Board for review and approval.

## **6. Board and Mandate Review**

The Board shall conduct an annual review and assessment of its performance and effectiveness, as well as the effectiveness and contribution of each Board committee and each individual director, in such manner as it deems appropriate. Such an assessment will consider: (i) in the case of the Board or a Board committee, compliance with its respective mandate or charter; and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.

The Board shall also review and assess the adequacy of this mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any guidelines recommended by securities regulatory authorities or the Toronto Stock Exchange.

## **7. Duties and Responsibilities**

The Board is responsible for:

- (i) designating the offices of the Company, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Company;



- (ii) in consultation with the Compensation Committee, reviewing the officers' performance and effectiveness;
- (iii) in consultation with the Compensation Committee, determining the compensation of the CEO;
- (iv) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees;
- (v) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Company;
- (vi) adopting and approving a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company business;
- (vii) identifying the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks;
- (viii) supervising and assessing the performance and effectiveness of management of the Company on an ongoing basis;
- (ix) succession planning (including appointing, training and monitoring senior management);
- (x) adopting a corporate disclosure policy that ensures that the Company communicates effectively with its shareholders, other stakeholders and the public in general;
- (xi) with the assistance of the Audit Committee, ensuring the integrity of the Company's internal control and management information systems;
- (xii) developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company;
- (xiii) establishing procedures to ensure that the Company, through management, provides timely information to current and potential security holders and responds to their inquiries;
- (xiv) developing clear positions descriptions for directors, including the Chair and each Board committee chair;
- (xv) in conjunction with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing or approving the corporate goals and objectives the CEO is responsible for meeting;

- (xvi) assisting and guiding management in the development of environmental policies and ensuring their compliance with them; and
- (xvii) assisting and guiding management in the development of health and safety policies and ensuring compliance with them.

## **8. Committees of the Board**

To assist it in discharging its responsibilities, the Board has established three standing committees of the Board: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Audit Committee shall be comprised entirely of “independent” directors (as such term is defined in *Multilateral Instrument 52-110 – Audit Committees*). The Board may establish other standing committees from time to time.

Each committee shall have a written charter that clearly establishes the committee’s purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

The Board is responsible for appointing directors to each of its committees in accordance with the charter for each committee.

## **9. Nomination of Directors**

The Board is responsible for nominating or appointing individuals as directors. Prior to nominating or appointing individuals as directors, the Board shall consider the recommendations of the Corporate Governance and Nominating Committee and shall consider:

- (i) what competencies and skills the Board, as a whole, should possess taking into account the tangible and intangible skills and qualities necessary for an effective Board given the Company’s stage of development, operational and financial condition, and strategic outlook;
- (ii) what competencies and skills each existing director possesses (including the personality and other qualities of each director);
- (iii) the length of service of each director;
- (iv) the level of representation of women on the Board;
- (v) the qualifications of candidates suggested by members of the Board, shareholders, management and others and assess what competencies and skills each new nominee will bring to the boardroom; and
- (vi) the appropriate size of the Board, with a view to facilitating effective decision-making.

## **10. Orientation and Continuing Education**

The Board is responsible for ensuring that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Company's business.

The Board shall provide continuing education opportunities for all directors, so individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Company's business remains current.

## **11. Code of Business Conduct and Ethics**

The Board is responsible for adopting and maintaining a written code of business conduct and ethics (the "Code") applicable to all directors, officers and employees of the Company and its subsidiaries. The Code shall constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and shall address the following issues:

- (i) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (ii) protection and proper use of corporate assets and opportunities;
- (iii) confidentiality of corporate information;
- (iv) fair dealing with the Company's security holders, suppliers, competitors and employees;
- (v) compliance with laws, rules and regulations; and
- (vi) reporting of any illegal or unethical behaviour.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code shall be granted by the Board only.

## **12. Compensation Matters**

The Board is responsible for overseeing compensation matters (including compensation of officers and other senior management personnel and approving the Company's annual compensation budget) and to assist it with these responsibilities, the Board has established the Compensation Committee. More specifically, the Board is responsible for approving:

- (i) the CEO's compensation level, after consideration of the evaluation conducted by and the recommendations of the Compensation Committee; and
- (ii) director compensation, incentive-compensation plans and equity-based plans, after consideration of the recommendations of the Compensation Committee.

## **SCHEDULE B**

**TRIMETALS MINING INC.**

**SHARE INCENTIVE PLAN**

(as ~~of December 20, 2013~~[amended as of April 25, 2017](#))

**ARTICLE ONE**

**DEFINITIONS AND INTERPRETATION**

Section 1.01 **Definitions:** For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) “Award” shall mean any award or benefit granted under the Plan, including Options, Free-Standing SARs and Tandem SARs;
- (b) “Awardee” shall mean the holder of an outstanding Award;
- (c) “Award Period” means the period of time during which the particular Award may be exercised and commences on the date of the grant of the Award, unless otherwise specified by the Board;
- (d) “Basis Value” means, in respect of a Free-Standing SAR, the amount determined by the Board at the time the Free-Standing SAR is granted, provided that such price shall be not lower than the most recent closing price of the Common Shares on the Stock Exchange at the time the Free-Standing SAR is granted;
- (e) “Black Out Period” means the period during which designated persons cannot trade Common Shares pursuant to any policy of the Company respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of an insider, that insider, is subject);
- (f) “Board” means the board of directors of the Company or, if the Board so determines in accordance with Section 2.03 of the Plan, the committee of the Board authorized to administer the Plan, which includes any compensation committee of the Board;
- (g) “Business Day” means, with respect to any purchase or sale of Common Shares, any day other than a Saturday, Sunday or day on which the Stock Exchange is required or authorized to close and, for all other purposes, means any day, other than a Saturday, Sunday or statutory holiday in British Columbia;
- (h) “Common Share” means a common share of the Company, as adjusted in accordance with the provisions of Section 6.06 of the Plan, including the plan of arrangement of the Company with an effective date of December 20, 2013, and for greater certainty, in regards to Awards issued by the Company prior to December

20, 2013 and outstanding on December 20, 2013, “Common Share” means one common share of the Company and one Class B Non-Voting Share of the Company;

- (i) “Company” means TriMetals Mining Inc., a company continued under the *Business Corporations Act* (British Columbia), and its successors and assigns;
- (j) “Consultant” means a person, other than an employee or a director of the Company or of any Designated Affiliate of the Company, that:
  - (i) is engaged to provide services to the Company or any Designated Affiliate of the Company, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract with the Company or any Designated Affiliate of the Company; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Designated Affiliate of the Company;and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (k) “Consulting Contract” means any contract between the Company or any Designated Affiliate of the Company and any Eligible Consultant relating to, or entered into in connection with, services to be provided to the Company or a Designated Affiliate by the Eligible Consultant;
- (l) “Designated Affiliate” means the affiliates of the Company designated by the Board for purposes of the Plan from time to time;
- (m) “Eligible Consultants” means Consultants of the Company or any Designated Affiliate of the Company;
- (n) “Eligible Directors” means the directors of the Company or the directors of any Designated Affiliate of the Company from time to time;
- (o) “Eligible Employees” means employees and officers, whether directors or not, and including both full-time and part-time employees, of the Company or any Designated Affiliate of the Company;
- (p) “Employment Contract” means any contract between the Company or any Designated Affiliate and any Eligible Employee relating to, or entered into in connection with, the employment of the Eligible Employee or between the Company or a Designated Affiliate and an Eligible Director with respect to his or her directorship or resignation therefrom;

- (q) “Exercise Price” means the price per Common Share at which an Option may be exercised as determined pursuant to Section 3.04 of the Plan;
- (r) “Free-Standing SAR” means a share appreciation right granted under Section 3.07 and is not a Tandem SAR;
- (s) “insider” means “reporting insider” as defined in National Instrument 55-104 – Insider Reporting Requirements and Exemptions;
- (t) ~~(s)~~ “Market Price” means, in respect of a Common Share as of any point in time on any particular date: (i) the last reported sale price at which the Common Shares traded on the Stock Exchange on that particular date; or (ii) if there is no reported sale price at which Common Shares traded on the Stock Exchange on the particular date, the last reported sale price at which Common Shares traded on the Stock Exchange prior to the particular date, and for greater certainty, in regards to a Common Share underlying an Option granted by the Company prior to December 20, 2013, “Market Price” shall be the sum of the last reported sale price at which the common shares of the Company traded on the Stock Exchange, plus the last reported sale price at which the Class B Non-Voting Shares traded on the Stock Exchange;
- (u) ~~(t)~~ “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (v) ~~(u)~~ “Option Agreement” means either (i) a written agreement between the Awardee of an Option and the Company; or (ii) a written option confirmation issued by the Company; in each case evidencing the grant of an Option (with or without a Tandem SAR) to the Awardee of the Option;
- (w) ~~(v)~~ “Participant” means each Eligible Employee, Eligible Director and Eligible Consultant, as applicable;
- (x) ~~(w)~~ “Plan” means this share incentive plan;
- (y) ~~(x)~~ “SAR” means a share appreciation right and may be either a Free-Standing SAR or a Tandem SAR;
- (z) ~~(y)~~ “SAR Acknowledgement Form” means a form of acknowledgement signed by the Awardee of Free-Standing SARs acknowledging the terms and conditions of the grant of such Free-Standing SARs, in a form acceptable to the Board;
- (aa) ~~(z)~~ “Share Premium” means, in respect of the exercise of all or a portion of a Tandem SAR and surrender of all or a portion of the related Option, the amount equal to: (i) the excess of the Market Price times the number of Common Shares that would have been acquired by the Awardee if the Option (or portion thereof) had been exercised over (ii) the Exercise Price for such related Option (or portion thereof) times such number of Common Shares;

- (bb) ~~(aa)~~ “Stock Award Plan” means the stock award plan described in Article Three hereof, as the same may be amended or varied from time to time;
- (cc) ~~(bb)~~ “Stock Exchange” means the Toronto Stock Exchange or such other stock exchange where the majority of the trading value and trading volume of Common Shares occurs; and
- (dd) ~~(ee)~~ “Tandem SAR” means, a share appreciation right granted under Section 3.08 in tandem with a related Option or as an addition to a previously granted and outstanding Option.

~~Section 1.02—**Securities Definitions:** In the Plan, the terms “affiliate”, “associate” and “insider” shall have the meanings given to such terms in the *Securities Act* (Ontario). The term “affiliate” shall include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnership, trusts, income trusts or investment trusts or any other organized entity issuing securities. The term “insider” shall include associates and affiliates of the insider.~~

Section 1.02 ~~Section 1.03~~ **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.03 ~~Section 1.04~~ **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 ~~Section 1.05~~ **References to this Plan:** The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.05 ~~Section 1.06~~ **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

## ARTICLE TWO

### PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 **Purpose of the Plan:** The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of employees, officers, directors and consultants of the Company and the Designated Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by employees, officers, directors and consultants of the Company and Designated Affiliates.

Section 2.02 **Administration of the Plan:** The Plan shall be administered by the Board and the Board shall have full authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Board may deem necessary in order to comply with the requirements of the Plan. All actions taken and all



interpretations and determinations made by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No director of the Company shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all directors of the Company shall, in addition to their rights as directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company.

**Section 2.03 Delegation:** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board comprised of not less than three directors, including any compensation committee of the Board, which delegation may be revoked at any time.

**Section 2.04 Number of Shares Available under the Plan:** There shall be available at all times for issuance under this Plan that number of Common Shares as is equal to 10% (on a non-diluted basis) of the number of issued and outstanding Common Shares of the Company from time to time. For greater certainty, the number of Common Shares available for issuance under the Plan shall not be decreased as a result of the issuance of Common Shares upon the exercise of Awards nor be increased upon the surrender, termination or expiry of Awards unexercised, in whole or in part. If the Company repurchases for cancellation Common Shares such that the foregoing percent test is not met following such repurchase, this shall not constitute non-compliance under the Plan. For purposes of this Section 2.04, as provide so long as any Awards issued by the Company prior to December 20, 2013 continue to be outstanding, the shares available under the Plan also include that number of Class B Non-Voting Shares of the Company as are required to be issued by the Company upon the exercise of such Awards pursuant to Section 6.06.

**Section 2.05 Insider Participation Limit:** The number of Common Shares

- (a) issued to insiders of the Company ~~(as defined by the Stock Exchange)~~, within any one year period; and
- (b) issuable to insiders of the Company ~~(as defined by the Stock Exchange)~~, at any time,

under the Plan, or when combined with all of the Company's other security based compensation arrangements (as defined by the Stock Exchange), shall not exceed 10% of the Company's total issued and outstanding Common Shares, respectively.

[Section 2.06 Non-Employee Director Participation Limit: The number of Common Shares issued in any one fiscal year to all non-employee directors shall not exceed 1% of the outstanding Shares at that time.](#)

## ARTICLE THREE

### STOCK AWARD PLAN

Section 3.01 **The Stock Award Plan and Participants:** A stock award plan is hereby established for Eligible Employees, Eligible Directors and Eligible Consultants.

Section 3.02 **Types of Awards:** Awards granted hereunder may be Options, Free-Standing SARs or Tandem SARs, at the discretion of the Board.

Section 3.03 **Determination of Participants and Participation:** The Board shall from time to time determine the Participants who may participate in the Stock Award Plan or any portion thereof. The Board shall from time to time determine the number and type of Awards to be issued to any Participant, including the Exercise Price of any Options, the Basis Value of Free-Standing SARs, the expiry date of an Award and all other terms of each Award granted to each such Participant, all such determinations to be made in accordance with the terms and conditions of the Stock Award Plan.

Section 3.04 **Exercise Price:** The price per share at which any Common Share which is the subject of an Option may be acquired shall be determined by the Board at the time the Option is granted, provided that such price shall be not lower than the most recent closing price of the Common Shares on the Stock Exchange, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, at the time the Option is granted.

Section 3.05 **Term of Award:**

- (a) The Award Period for each Award shall be such period of time as shall be determined by the Board, subject to any Employment Contract or Consulting Contract, provided that no Award Period shall exceed 10 years.
- (b) Should the expiration date for an Award fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Award for all purposes under the Plan, provided that in no event shall the Award Period exceed 10 years. Notwithstanding Section 6.02, the ten Business Day period referred to in this Section 3.05(b) may not be extended by the Board.
- (c) Awards that have not been exercised or cancelled prior to the expiration date of the Award shall expire and be cancelled without payment effective as at such expiration date.

Section 3.06 **Stock Options:** Options may be granted to Participants at any time as determined by the Board. The Board shall determine the Exercise Price and number of Common Shares subject to each Option. The grant of an Option (with or without a related Tandem SAR) shall be made to a Participant pursuant to an Option Agreement.

**Section 3.07 Free-Standing SARs:** Free-Standing SARs may be granted to Participants at any time as determined by the Board, subject to the completion and delivery to the Board of a SAR Acknowledgement Form by the Awardee within the time specified by the Board. The Company shall provide to each Awardee of a Free-Standing SAR, a SAR Acknowledgement Form to be signed and delivered by the Participant to such officer as may be designated by the Company, within the time period specified by the Company. The Board shall determine the Basis Value for each Free-Standing SAR. Upon exercise of a Free-Standing SAR, the Awardee shall be entitled to receive payment from the Company in an amount equal to the excess of the Market Price of a Common Share on the date of exercise over the Basis Value of the Free-Standing SAR. The payment shall be made in Common Shares, the number of which shall be calculated by dividing the total payment amount by the Market Price of a Common Share on the exercise date, rounded down to the nearest whole number of Common Shares.

**Section 3.08 Tandem SARs:** Tandem SARs may be granted to Participants in tandem with an Option granted under this Plan and the terms and conditions of such Tandem SAR will be set out in the Option Agreement relating to such Option. Tandem SARs may be added to a previously granted Option that remains outstanding under the Plan on the date on which the Tandem SARs are to be added to that Option, provided that the Participant and the Company agree in writing to amend the Option Agreement under which the Option was granted to add the Tandem SAR. The Awardee of a Tandem SAR may, in lieu of exercising all or a portion of the related vested Option, elect to exercise all or the equivalent portion of the related Tandem SAR, and surrender to the Company such Option or portion thereof, in consideration for an amount equal to the applicable Share Premium. The election to exercise a Tandem SAR or portion thereof, shall be made by delivering a notice of exercise in such form as may be acceptable to the Board. To the extent all or a portion of a Tandem SAR is exercised, the related Option, or portion thereof, will terminate and be cancelled at the time of such exercise. The payment of the applicable Share Premium shall be made in Common Shares, the number of which shall be calculated by dividing the Share Premium by the Market Price of the Common Shares on the exercise date, rounded down to the nearest whole number of Common Shares. For greater certainty, the payment of the applicable Share Premium for any Tandem SAR granted by the Company prior to December 20, 2013 shall be made in an equal number of common shares and Class B Non-Voting Shares of the Company. The Company will make an election in prescribed form for purposes of the *Income Tax Act* (Canada) in respect of each Awardee of a Tandem SAR granted in tandem with an Option, or added to a previously granted and outstanding Option, that no deduction will be taken in respect of any payment to or for the benefit of such Awardee in consideration for the surrender and disposition of an Option or portion thereof on the exercise of such Tandem SAR. The Company will provide each Awardee with a copy of such election made in respect of that Awardee.

**Section 3.09 Grant of Award:** The date of grant of an Award shall be within 10 years of the establishment of the stock award plan under Section 3.01.

**Section 3.10 Limit on Awards to be Exercised:** Unless otherwise determined by the Board and subject to Section 3.11 and Section 6.07, Awards may vest and be exercised (in each case to the nearest full share), during the Award Period as follows:

- (a) on the date of grant of an Option, one-third of the Option will vest and may be exercised at any time thereafter during the relevant Award Period such that up to

one-third of the number of Common Shares subject to Option may be purchased by the Awardee of that Option, or, if a Tandem SAR was granted in tandem with or added to such Option, the Awardee may, in lieu of exercising up to one-third of the Option, elect to exercise up to one-third of the related Tandem SAR in accordance with Section 3.08;

- (b) on the date of grant of Free-Standing SARs, one-third of the Free-Standing SARs will vest and may be exercised at any time thereafter during the relevant Award Period in accordance with Section 3.07 for a payment made in Common Shares;
- (c) on the first anniversary of the date of grant of an Option, an additional one-third of the Option will vest and may be exercised at any time thereafter during the Award Period, or, if a Tandem SAR was granted in tandem with or added to such Option, the Awardee may, in lieu of exercising the vested portion of the Option, elect to instead exercise the equivalent portion of the related Tandem SAR in accordance with Section 3.08;
- (d) on the first anniversary of the date of grant of Free-Standing SARs, an additional one-third of the Free-Standing SARs will vest and, to the extent not previously exercised and cancelled, such vested Free-Standing SARs may be exercised at any time thereafter during the relevant Award Period in accordance with Section 3.07 for a payment made in Common Shares;
- (e) on the second anniversary of the date of grant of an Option, the final one-third of the Option will vest and may be exercised during the remainder of the Award Period, or, if a Tandem SAR was granted in tandem with or added to such Option, the Awardee may in lieu of exercising the remaining vested portion of the Option elect to instead exercise the equivalent portion of the related Tandem SAR in accordance with Section 3.08; and
- (f) on the second anniversary of the date of grant of Free-Standing SARs, the final one-third of the Free-Standing SARs will vest and the remaining unexercised Free-Standing SARs may be exercised at any time thereafter during the relevant Award Period in accordance with Section 3.07 for a payment made in Common Shares.

**Section 3.11 Eligible Participants on Exercise:** An Award may be exercised by the Awardee in whole or in part during the Award Period at such time or times as specified in Section 3.10, provided however that, except as otherwise specifically provided in Section 3.13 or Section 3.14 hereof or in any Employment Contract or Consulting Contract, no Award may be exercised unless the Awardee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Company or a Designated Affiliate or in the employment of the Company or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Award, provided however that a leave of absence with the approval of the Company or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Company or a Designated Affiliate and has been such a director continuously since the date of grant of such Award; and
- (c) in the case of an Eligible Consultant, a Consultant of the Company or a Designated Affiliate and has been a such a Consultant continuously since the date of grant of such Award.

**Section 3.12 Payment of Exercise Price of Options:** The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Company of payment of the aggregate Exercise Price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Company together with a validly completed notice of exercise in a form that is acceptable to the Board, or the Board may, in its discretion and to the extent permitted by law, allow such payment to be made through a broker-assisted cashless exercise mechanism or by such other method as the Board may determine to be appropriate. No Awardee or legal representative, legatee or distributee of any Awardee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Awardee was granted an Option, unless and until certificates for such Common Shares are issued to such Awardee, or them, under the terms of the Plan. Subject to Section 3.15 and Section 4.01 hereof, upon an Awardee exercising an Option and paying the Company the aggregate Exercise Price for the Common Shares in respect of which the Option has been exercised, the Company shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

**Section 3.13 Effect of Death:** If a Participant dies while an Awardee, any Option, Tandem SAR or Free-Standing SAR held by such Participant at the date of death shall vest and become immediately exercisable notwithstanding Section 3.10 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under such Award shall pass by the will of the Participant or the laws of descent and distribution for a period of 12 months after the date of death of the Participant or prior to the expiration of the Award Period in respect of such Award, whichever is sooner. This Section 3.13 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Company or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Company.

**Section 3.14 Effect of Termination:** If a Participant shall:

- (a) cease to be a director of the Company and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death);
- (b) cease to be employed by, or be an officer of, the Company and any of its Designated Affiliates (and is not or does not continue to be a director thereof), for any reason (other than death), including circumstances involving receipt of notice from the Company or any of its Designated Affiliates of the termination of his or her Employment Contract; or

- (c) cease to be engaged by, or be a Consultant of the Company and any of its Designated Affiliates, for any reason (other than death), including circumstances involving receipt of notice from the Company or any of its Designated Affiliates of the termination of his, her or its Consulting Contract;

(collectively for purposes of this Section 3.14, “Termination”), then all Options, Tandem SARs and Free-Standing SARs held by such Participant that have not become vested prior to the date of Termination shall be cancelled and of no force and effect as at the date of Termination and no payment shall be made in respect of such Awards. Such Participant may, but only within 60 days next succeeding the date of such Termination, exercise his or her Options, Tandem SARs or Free-Standing SARs that have vested pursuant to Section 3.10 prior to the date of such Termination, provided that in no event shall such right extend beyond the Award Period. For purposes of this Section 3.14, the date of Termination means the last day of active employment or engagement and does not include any period of statutory, contractual or reasonable notice or any period of deemed employment, except as may be determined by the Board in its discretion. This Section 3.14 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Company or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Company.

**Section 3.15 Necessary Approvals:** The obligation of the Company to issue and deliver any Common Shares in accordance with the Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Common Shares shall terminate without further compensation to the Participant and any Exercise Price paid by the Participant to the Company under Section 3.12 shall be returned to the Participant without interest.

**Section 3.16 Record Keeping:** The Company shall maintain or cause to be maintained a register in which shall be recorded:

- (a) the name and address of each Awardee;
- (b) the number of Common Shares subject to Awards granted to each Awardee; and
- (c) the aggregate number of Common Shares subject to Awards.

**Section 3.17 Terms and Conditions of Options Granted to U.S. Participants.**

- (a) For purposes of this Section 3.17, the following definitions will apply:
  - (i) “Code” means the U.S. Internal Revenue Code of 1986, as amended.
  - (ii) “Employee” means a person who is an employee of the Company (or of any Parent or Subsidiary) for purposes of section 422 of the Code.
  - (iii) “Grant Date” means, with respect to any Option, the date on which the Board makes the determination to grant such Option or any later date specified by the Board.



- (iv) “Incentive Stock Option” means an Option that is intended to qualify as an “incentive stock option” pursuant to section 422 of the Code.
  - (v) “Nonqualified Stock Option” means an Option that is not an Incentive Stock Option.
  - (vi) “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each corporation in such chain (other than the Company) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The preceding definition of the term “Parent” is intended to comply with, and will be interpreted consistently with, section 424(e) of the Code.
  - (vii) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each corporation (other than the last corporation) in such chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The preceding definition of the term “Subsidiary” is intended to comply with, and will be interpreted consistently with, section 424(f) of the Code.
  - (viii) “U.S. Fair Market Value” means, with respect to any property (including, without limitation, the Common Shares), the fair market value, as of a given date, of such property, determined by such methods or procedures as are established from time to time by the Board. Unless otherwise determined by the Board, such fair market value of a Common Share as of a given date will be the Market Price, as defined in Section 1.01 hereof, or if Common Shares are not listed on a stock exchange, the fair market value as determined by the Board in good faith.
  - (ix) “U.S. Participant” means a Participant who is a citizen of the United States or a resident of the United States, in each case as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code.
  - (x) “10% Shareholder” means any person who owns, taking into account the constructive ownership rules set forth in section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company (or of any Parent or Subsidiary).
- (b) Maximum Number of Shares for Incentive Stock Options. Notwithstanding any other provision of this Plan to the contrary, the aggregate number of Shares available for issuance pursuant to Incentive Stock Options shall not exceed 3,000,000, subject to adjustment pursuant to Section 6.06 of this Plan and subject to the provisions of sections 422 and 424 of the Code.
- (c) Designation of Options. Each Option Agreement with respect to an Option granted to a U.S. Participant shall specify whether the related Option is an Incentive Stock

Option or a Nonqualified Stock Option. If no such specification is made in an Option Agreement, the related Option will be (a) an Incentive Stock Option if all of the requirements under the Code that must be satisfied in order for such Option to qualify as a Incentive Stock Option are satisfied or (b) in all other cases, a Nonqualified Stock Option.

- (d) Special Requirements for Incentive Stock Options. In addition to the other terms and conditions of this Plan (and notwithstanding any other term or condition of this Plan to the contrary), the following limitations and requirements will apply to an Incentive Stock Option:
- (i) An Incentive Stock Option may be granted only to an Employee.
  - (ii) The aggregate U.S. Fair Market Value of the Common Shares (determined as of the applicable Grant Date) with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (pursuant to this Plan and all other plans of the Company and of any Parent or Subsidiary) will not exceed U.S.\$100,000 or any other limitation subsequently set forth in section 422(d) of the Code, and to the extent that this \$100,000 limit is exceeded in any calendar year, the Option, or portion thereof, that exceeds such limit will become a Non-qualified Stock Option.
  - (iii) The exercise price per Common Share payable upon exercise of an Incentive Stock Option will be not less than 100% of the U.S. Fair Market Value of a Common Share on the applicable Grant Date; *provided, however*, that the exercise price per Common Share payable upon exercise of an Incentive Stock Option granted to a U.S. Participant who is a 10% Shareholder on the applicable Grant Date will be not less than 110% of the U.S. Fair Market Value of a Common Share on the applicable Grant Date.
  - (iv) No Incentive Stock Option may be granted more than 10 years after the earlier of (i) the date on which this Plan is adopted by the Board or (ii) the date on which this Plan is approved by the shareholders of the Company.
  - (v) An Incentive Stock Option will terminate and no longer be exercisable no later than 10 years after the applicable Grant Date; *provided, however*, that an Incentive Stock Option granted to a U.S. Participant who is a 10% Shareholder on the applicable Grant Date will terminate and no longer be exercisable no later than 5 years after the applicable Grant Date.
  - (vi) Unless otherwise provided in the applicable Option Agreement, all of the restrictions pursuant to Section 3.14 hereof will apply to Incentive Stock Options. In addition, Incentive Stock Options are subject to the following limitations. Generally, a U.S. Participant must remain an employee at all times during the term of the Incentive Stock Option, and if a U.S. Participant ceases to be an employee for any reason other than the death or disability of



such U.S. Participant, such Incentive Stock Option must be exercised (to the extent such Incentive Stock Option was exercisable on the date of termination) within three months following the U.S. Participant's termination of employment (but in no event beyond the term of such Incentive Stock Option). For this purpose, a Participant's employment will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Board that such leave does not exceed 90 days in the aggregate, provided, however, that if reemployment upon the expiration of such leave is guaranteed by contract or applicable law, such 90 day limitation will not apply, or (b) a transfer from one office of the Company (or of any Parent or Subsidiary) to another office of the Company (or any Parent or Subsidiary) or a transfer between the Company and any Parent or Subsidiary.

- (e) An Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant.
- (f) An Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution.
- (g) In the event that this Plan is not approved by the shareholders of the Company within 12 months before or after the date on which this Plan is adopted by the Board, any Incentive Stock Option granted under this Plan will automatically be deemed to be a Nonqualified Stock Option.

## ARTICLE FOUR

### WITHHOLDING TAXES

Section 4.01 **Withholding Taxes:** The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award or the issuance of a Common Share including, without limiting the generality of the foregoing, (i) the withholding of all or any portion of any cash remuneration payable to a Participant who is the Awardee of such Award or any other payment to be made to such Participant, (ii) allowing the Participant to make a cash payment to the Company equal to the amount required to be remitted, which amount shall be remitted by the Company to the appropriate governmental authority for the account of the Participant; or (iii) selling, on behalf of the Participant, that number of Common Shares to be issued to the Participant under the Plan, such that the amount withheld by the Company from the proceeds of such sale will be sufficient to satisfy any taxes required to be remitted by the Company for the account of the Participant. If the Company considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant may be made conditional upon the Participant (or other person) reimbursing or compensating the Company or making arrangements

satisfactory to the Company for the payment in a timely manner of all taxes required to be remitted for the account of the Participant.

## ARTICLE FIVE

### SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 5.01 **Securities Laws of the United States of America:** Neither the Awards which may be granted pursuant to the provisions of the Plan nor the Common Shares which may be acquired pursuant to the exercise of Awards have been registered under the *United States Securities Act of 1933*, as amended (the “U.S. Act”), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Award in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Award and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Award and/or issuing the Common Shares to the Participant, the Company is relying on the representations and warranties of the Participant to support the conclusion of the Company that the granting of the Award and/or the issue of Common Shares do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares issued may be required to have the following legends (or substantially similar legends in the case of Class B Non-Voting Shares which may comprise a portion of the Common Shares):

“THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.”

“THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE COMPANY IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS

CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.”;

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act while the Company is a foreign issuer within the meaning of Regulation S the foregoing legends may be removed by providing a written declaration (or by providing such other requested evidence which may include an opinion) by the holder to the registrar and transfer agent for the Common Shares to the following effect:

“The undersigned (a) represents and warrants that the sale of the securities of TriMetals Mining Inc. (the “Company”) to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the “U.S. Securities Act”), and (b) certifies that (1) the undersigned is not an affiliate of the Company as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.”;

- (d) the Participant is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Award and /or any Common Shares. The Participant is acquiring these securities for investment for Participant’s own account only and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the U.S. Act;
- (e) the Participant acknowledges and understands that the securities constitute “restricted securities” under the U.S. Act and have not been registered under the

U.S. Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Participant's investment intent as expressed herein;

- (f) the Participant understands and acknowledges that there may be United States tax consequences related to receipt, exercise and disposition of the securities, and that it is solely responsible for determining such tax consequences;
- (g) the Participant understands and acknowledges that the Company (i) is under no obligation to be or to remain a "foreign issuer" within the meaning of Regulation S under the U.S. Act, (ii) may not, at the time the securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions that could cause the Company not to be a foreign issuer. If the Company is not a foreign issuer at the time of any resale pursuant to Rule 904 of Regulation S under the U.S. Act, the certificate delivered to the buyer may continue to bear the legend contained above;
- (h) other than as contemplated by Section 5.01(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Company describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Company to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (i) other than as contemplated by Section 5.01(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Company that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;
- (j) the Company may place a notation on the records of the Company to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (k) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by Section 5.01(c) hereof.

## ARTICLE SIX

### GENERAL

Section 6.01 **Effective Time of the Plan:** The Plan shall become effective upon a date to be determined by the Board.

Section 6.02 **Amendment or Discontinuance of the Plan:** The Board may from time to time in its absolute discretion amend, modify and change the provisions of the Plan or any Awards granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any Awards granted pursuant to the Plan shall:

- (a) not adversely alter or impair any Award previously granted except as permitted by Section 6.06 hereof;
- (b) be subject to any regulatory approvals, where required, including the approval of the Stock Exchange, where required;
- (c) be subject to shareholder approval in accordance with the rules of the Stock Exchange in circumstances where the amendment, modification or change to the Plan or Award would:
  - (i) reduce the Exercise Price of an Option ~~held by an insider of the Company~~ issued under the Plan (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
  - (ii) extend the term of an Award ~~held by an insider~~ beyond the original expiration date (subject to such date being extended by virtue of Section 3.05(b));
  - (iii) amend the insider participation limits in Section 2.05 which result in the security holder approval to be required on a disinterested basis;
  - (iv) ~~(iii)~~ remove or to increase the insider participation limit under Section 2.05;
  - (v) remove or to increase the non-employee director participation limit under Section 2.06;
  - (vi) ~~(iv)~~ increase the fixed maximum percentage of Common Shares which may be issued pursuant to the Plan; or
  - (vii) ~~(v)~~ grant additional powers to the Board to amend the Plan;
  - (viii) amend Section 6.03 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;

(ix) amend the provisions in this Section 6.02.

(d) not be subject to shareholder approval in any circumstance (other than those listed in Section 6.02(c) above), including, but not limited to, circumstances where the amendment, modification or change to the Plan or Award would:

(i) be of a “housekeeping nature”, including any amendment to the Plan or an Award that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or an Award to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;

~~(ii) change the Exercise Price of an Option, unless the change is a reduction in the Exercise Price of an Option held by an insider of the Company;~~

(ii) ~~(iii)~~ alter, extend or accelerate any vesting terms or conditions in the Plan or any Award;

(iii) ~~(iv)~~ amend or modify any mechanics for exercising any Award;

(iv) ~~(v)~~ change the expiration date (including acceleration thereof) or change any termination provision in any Award, provided that such change does not entail an extension beyond the original expiration date of such Award (subject to such date being extended by virtue of Section 3.05(b));

(v) ~~(vi)~~ introduce a cashless exercise feature, payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Plan maximum;

(vi) ~~(vii)~~ change the application of Section 6.07 (Consolidation, Merger, Take-Over Bid, etc.), Section 6.06 (Adjustment in Number of Shares Subject to the Plan) or Section 6.08 (Securities Exchange Take-over Bid) of the Plan;

(vii) ~~(viii)~~ add a form of financial assistance or amend a financial assistance provision which is adopted;

(viii) ~~(ix)~~ change the eligible Participants ~~of the Plan~~; or

(ix) ~~(x)~~ add a deferred or restricted share unit provision or any other provision which results in Participants receiving securities while no cash consideration is received by the Company.

The Board may discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not adversely alter or impair any Award previously granted.



Section 6.03 **Non-Assignable:** No rights under the Plan and no Award awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 6.04 **Rights as a Shareholder:** No holders of Options, Tandem SARs or Free-Standing SARs shall have any rights as a shareholder of the Company with respect to any Common Shares which are the subject of such Award. No such Awardee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Company for which the record date is prior to the date of exercise of such Award.

Section 6.05 **No Contract of Employment:** Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

Section 6.06 **Adjustment in Number of Shares Subject to the Plan:** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Board in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Award; and
- (c) the Exercise Price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 6.07 **Consolidation, Merger, Take-Over Bid, etc.:** If there is a consolidation, merger, take-over bid, statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities, a transfer of all or substantially all of the assets of the Company to another entity or a transaction of similar effect all unvested Options, Tandem SARs and Free-Standing SARs will, notwithstanding Section 3.10 hereof, become vested and the Awardee thereof shall be entitled to exercise such Award immediately prior to such event, unless the Board otherwise determines the basis upon which such Award shall be exercisable. The Company may, in the circumstances of such a transaction, send notice to all Awardees advising the Awardees of the right to exercise their Options, Tandem SARs and Free-Standing SARs within 10 days of the mailing of such notice. Unless an Awardee delivers notice of exercise of an Option together with the Exercise Price within such 10 day period, the Awardee will be deemed to have exercised his or her Tandem SAR on the tenth day after the mailing of such notice, without further formality. The Awardees of Free-Standing SARs shall be deemed to have exercised such Free-Standing SARs on the tenth day after mailing of such notice without further formality. In lieu of payment of Tandem SARs and Free-Standing SARs in Common Shares, in the discretion of the Board, payment may be made in cash.

**Section 6.08 Securities Exchange Take-over Bid:** In addition to the provisions of Section 6.07, in the event that the Company becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are to be acquired by the offeror, either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is to be paid in whole or in part in equity securities of the offeror, the Company may, in the circumstances of such a transaction, send notice to all holders of Options providing such holders with the choice of exchanging such Options for options of equivalent value of the offeror upon the closing of the acquisition, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to each Awardee entitling the Awardee to acquire, upon exercise of such replacement options, equity securities of the offeror on substantially the same economic terms as the Options; and
- (b) the exchange of Options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada) and otherwise on a tax effective basis to the holders.

Unless an Awardee delivers to the Company, within 10 days after the mailing by the Company of the aforementioned notice, a written election to exchange his or her Option for a replacement option of the offeror, the Awardee will be deemed to have exercised his or her Tandem SAR on the tenth day after the mailing of such notice, without further formality. The Awardees of the Free-Standing SARs shall be deemed to have exercised such Free-Standing SARs on the tenth day after mailing of such notice without further formality. In lieu of payment of Tandem SARs and Free-Standing SARs in Common Shares, in the discretion of the Board, payment may be made in cash.

**Section 6.09 No Representation or Warranty:** The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

**Section 6.10 Compliance with Applicable Law:** If any provision of the Plan or any Award contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

**Section 6.11 Section 409A of the Internal Revenue Code:** As to any Participant whose Award under the Plan is subject to U.S. federal income tax, the Plan and such Awards are intended to be exempt from Section 409A and the Plan and such Awards will be interpreted and administered accordingly. In the event that the Board determines that any Award may be subject to Section 409A, the Board may, in its sole discretion and subject to approval of the Stock Exchange where required, adopt such amendments to the Plan and the applicable agreement or acknowledgement form related to such Award, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take other actions that the Board determines are necessary or appropriate to (a) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A. Notwithstanding the foregoing, the Company makes no representation or guaranty with respect to the U.S. tax treatment of Awards under the Plan and



neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Plan or on account of any failure to comply with the Internal Revenue Code.

Section 6.12 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Amended by the Board on December 18, 2013 and effective on December 20, ~~2013~~2013 and further amended by the Board on April 25, 2017 subject to shareholder approval.

\*\*\*\*\*