



**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL MEETING OF SHAREHOLDERS OF
LEXAM VG GOLD INC.**

April 1, 2015

*THIS NOTICE AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN
CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF
LEXAM VG GOLD INC. OF PROXIES TO BE VOTED AT THE
ANNUAL MEETING OF ALL SHAREHOLDERS*



LEXAM VG GOLD INC.

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting (the “**Meeting**”) of the Shareholders of Lexam VG Gold Inc. (the “**Corporation**”) will be held at 150 King Street West, 28th Floor, Toronto, Ontario, on Tuesday, May 5, 2015 at 4:00 p.m. (EST), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation, for the financial year ended December 31, 2014, and the report of the auditors thereon;
2. to elect a Board of Directors for the ensuing year;
3. to appoint KPMG LLP as Auditors for the ensuing year at remuneration to be fixed by the directors; and
4. to transact any such other business as may properly be brought before the Meeting or any adjournments thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it in the envelope provided for this purpose; or, alternately, vote online or by telephone in accordance with the instructions provided on the enclosed form of proxy.

DATED at the City of Toronto, in the Province of Ontario, this 1st day of April 2015.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "R. McEwen", written over a horizontal line.

Robert R. McEwen
Chairman of the Board

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LEXAM VG GOLD INC.

MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL MEETING OF SHAREHOLDERS

This Management Information Circular dated April 1, 2015 (the “**Circular**”) is furnished in connection with the Annual Meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Lexam VG Gold Inc. (“**Lexam VG**” or the “**Corporation**”) to be held on Tuesday, May 5, 2015 at 150 King Street West, 28th Floor, Toronto, Ontario, Canada at 4:00 p.m. (EST). **This Circular is furnished in connection with the solicitation by or on behalf of management of the Corporation of proxies for use at such Meeting and any and all adjournments thereof.**

Except as otherwise stated, the information contained herein is given as of April 1, 2015. All dollar amounts set forth in this Circular are expressed in Canadian dollars, unless otherwise indicated.

SECTION I - VOTING INFORMATION

Solicitation of Proxies

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or personal interview by regular employees of the Corporation, at a nominal cost. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

Voting Proxies

The persons named in the enclosed form of proxy are Mr. Robert R. McEwen (Chairman of the Board) and Mr. Andrew Iaboni (Chief Financial Officer).

A Shareholder has the right to appoint some other person (who need not be a Shareholder), other than the persons whose names appear in such form of proxy, to attend and to act for and on behalf of such Shareholder at the Meeting and any adjournment thereof. To exercise this right, the Shareholder must either insert the name of the desired person in the blank space provided in the proxy and strike out the other names or submit another proper form of proxy and, in either case, deliver the completed proxy by post or other delivery to Computershare Investor Services, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or, Shareholders may vote their Common Shares online or by telephone in accordance with the instructions set out in the enclosed form of proxy, each **by 4:00 p.m. (EST) on May 1, 2015**. Late proxies may be accepted or rejected at any time prior to the commencement time of the Meeting by the Chairman of the Meeting in his discretion and the Chairman is under no obligation to accept or reject any particular late proxy.

The Common Shares represented by properly executed proxies in the enclosed form will be voted for or withheld from voting in accordance with the instructions of the Shareholder on the proxy, on any ballot that may be called for, and if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares represented by such properly executed proxy will be voted accordingly. In the absence of any instructions on the proxy, such Common Shares will be voted:

- a) **FOR** the election as directors of the Corporation of the persons listed below under the heading “Section II – Item 2 – Election of Directors” or for substitute nominees in the event of contingencies not known at present; and

- b) **FOR** the re-appointment of KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation and the authorization of the Board of Directors to fix the remuneration to be paid to the auditor, as described under the heading “Section II – Item 3 – Re-appointment of Auditor”.

Revocation of Proxies

A Shareholder executing the enclosed form of proxy has the right to revoke it at any time before it is exercised. Section 110(4) and (4.1) of the *Business Corporations Act* (Ontario) (the “**OBCA**”) provides that a Shareholder may revoke a proxy by depositing an instrument in writing, executed by the Shareholder or by an attorney authorized in writing, by transmitting by telephone or electronic means or other manner permitted by law, to the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or by depositing such instrument with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Record Date

The Corporation has fixed March 30, 2015 as the record date (the “**Record Date**”) for the purpose of determining those Shareholders entitled to receive notice of the Meeting. In accordance with the OBCA, the Corporation will prepare a list of Shareholders as at the close of business on the Record Date. Each Shareholder named on the list will be entitled to vote the Common Shares shown opposite the Shareholder’s name on such list at the Meeting, except to the extent that: (i) the Shareholder has transferred any Common Shares after the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes ownership of those Common Shares and **demands no later than 10 days before the date of the Meeting** that the transferee’s name be included on such list before the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

Interest of Certain Persons in Matters to be Acted Upon

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, is a proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

Voting Shares and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares outstanding as of March 30, 2015 totalling 226,570,860. Each Common Share carries the right to one (1) vote at meetings of Shareholders of the Corporation. Shareholder(s) present and authorized to cast in the aggregate not less than **five percent (5%) of the outstanding Common Shares constitute a quorum** at the meeting of Shareholders of the Corporation.

The following table sets forth, as of March 30, 2015, each person who is known to the directors or senior officers of the Corporation to beneficially own, directly or indirectly, or to exercise control or direction over, **more than 10% of the voting rights attached to the outstanding Common Shares**, and the number and percentage of such Common Shares so owned, controlled or directed as at that date by such person.

<u>Name of Beneficial Owner</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Robert R. McEwen	60,739,962	26.8%

SECTION II - BUSINESS OF THE MEETING

Item 1 - Receipt of Consolidated Financial Statements

Our audited consolidated financial statements for the year ended December 31, 2014 and the report of the Auditors thereon will be placed before the Meeting. Copies may be obtained from the Corporate Secretary upon request and will be available at the Meeting. The Company's consolidated financial statements for the year ended December 31, 2014 are also available on our website at www.lexamvggold.com, on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Item 2 - Election of Directors

The nominees for election as directors for the Corporation are listed below and each is currently serving as a director of the Corporation. The nominees, if elected, will serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed. Management has been informed that each of such nominees is willing to serve as a director, if elected.

Management recommends a vote FOR each of the nominees for election as directors of the Corporation.

The following table sets forth certain information known to the Corporation concerning the nominees for election as directors of the Corporation. The table also sets out the number of securities beneficially owned, or over which control or direction is exercised, by each of such persons.

Nominees for Election as Directors

Name, Position and/or Principal Occupation	Director Since	Common Shares	Stock Options
Robert R. McEwen <i>Toronto, Ontario, Canada</i> <p>Mr. McEwen is the Chairman and CEO of McEwen Mining Inc. (formerly US Gold Corporation) since August 2005. Prior to McEwen Mining's acquisition of Minera Andes Inc. in January 2012, Mr. McEwen was also Chief Executive Officer (from June 2009) and Chairman and Director (from August 2008) of Minera Andes Inc. Mr. McEwen served as Chairman and Chief Executive Officer of Lexam Explorations Inc. (from 1994 to December 2010), which combined with VG Gold Corp. in 2011. He was Chief Executive Officer (from June 1986 to February 2005) and Chairman (from 1986 to October 2005) of Goldcorp Inc. Mr. McEwen holds a BA from the University of Western Ontario and MBA and Honorary Doctor of Laws degrees from York University. Mr. McEwen is the recipient of the PDAC Developer of the Year Award (2001), of the Order of Canada Award (2007) and of the Queen Elizabeth's Diamond Jubilee Award (2013). Mr. McEwen invests privately in the resource sector through various investment vehicles (collectively "McEwen Capital"). The latter positions are Mr. McEwen's principal occupation.</p>	January 1, 2011	60,739,962	-
Richard W. Brissenden⁽¹⁾⁽²⁾ <i>Toronto, Ontario, Canada</i> <p>Mr. Brissenden is a Chartered Professional Accountant (Ontario) and a graduate from the Director's Education Program of the Institute of Corporate Directors with an ICD.D designation, with more than 30 years of experience in the mining and exploration sector. Mr. Brissenden is the Executive Chairman of Banro Corporation (since January 2015) and was previously Chairman (since May 2014). Mr. Brissenden became a director of Banro Corporation in 2013. He also serves as a director for several mining companies, including Corona Gold Corporation (since November 1996), Ryan Gold Corp (since October 2002), McEwen Mining Inc. (since January 2012) and PC Gold Inc. (since 2013). He has previously served as a board member and executive of numerous companies in the mining and mineral exploration sector.</p>	January 1, 2011	-	-

John C. Drake⁽¹⁾⁽²⁾ <i>London, Ontario, Canada</i> <p>Mr. Drake is the President and co-founder of Drake Goodwin Corporation, an investment firm with interests in financial services, real estate development and manufacturing. Mr. Drake is the Chairman of Critical Outcome Technologies Inc., a TSX Venture Exchange listed company. Mr. Drake was appointed an Honorary Colonel of the 1st Hussars of the Royal Canadian Armored Corps in 1999 (retired 2011). Mr. Drake obtained his B.A. and LL.B degrees from the University of Western Ontario and was a member of the Law Society of Upper Canada until 2012.</p>	January 1, 2011	-	-
Robin E. Dunbar⁽¹⁾ <i>North York, Ontario, Canada</i> <p>Mr. Dunbar is a director and President and CEO of Mustang Minerals Corp. which is developing a nickel deposit in Manitoba, Canada (TSXV: MUM). Mr. Dunbar is the former Chief Financial Officer and director of Aquila Resources Inc. (TSXV: AQA) and also served as a director of Western Areas Ltd. (ASX: WSA), which produces nickel in Australia. Mr. Dunbar holds a M.B.A. from Dalhousie University.</p>	January 1, 2011	605,000	-
Hugh C. Squair <i>Surrey, British Columbia, Canada</i> <p>Dr. Squair is a retired consultant, corporate director and geologist. He currently serves on the boards of the following companies: Goldrea Resources Corp., Plato Gold Corp., and Rome Resources Ltd.</p>	January 1, 2011	87,809	-
John G. Tait <i>Toronto, Ontario, Canada</i> <p>Mr. Tait is a consultant to the resource sector. He previously served as Chief Executive Officer of White Pine Resources Inc. (TSXV:WPR) and Chief Operating Officer of VG Gold Corp., as President and a director of Southern Star Resources Inc. (TSXV:SSR) which merged with Exall Resources to form Gold Eagle Mines Ltd. (TSX:GEA) and as a director of Merc International Minerals Inc. (TSXV:MRK). Gold Eagle Mines Ltd. was purchased by Goldcorp Inc. for \$1.5 billion in 2008. Mr. Tait has over 16 years of experience in the mining exploration business. Prior to joining Southern Star Resources Inc., Mr. Tait acted as Secretary of Orcana Resources Limited (TSXV:OCN) from 1992 to 1997.</p>	January 1, 2011	67,500	-
Robert E. Van Tassell⁽²⁾ <i>High River, Alberta, Canada</i> <p>Mr. Van Tassell is a retired geologist and corporate director. Mr. Van Tassell currently sits on the boards of Plato Gold Corp, a junior mineral exploration company.</p>	January 1, 2011	238,875	-

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance, Nominating and Compensation Committee.
- (3) The information as to the number of securities beneficially owned or over which control or direction is exercised has been furnished by the respective nominee.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best knowledge of the management of the Corporation, no director or proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Corporation, that while that person was acting in that capacity:

- was the subject of a cease trade order or similar order or an order that denied the Corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- was subject to an event that resulted, after the director ceased to be a director or executive officer of the Corporation being the subject of a cease trade order or similar order or an order that denied the relevant

Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Brissenden has advised the Corporation that he was previously (until May 2014) a director and officer of Regal Consolidated Ventures Limited, which was subject to a cease trade order on June 12, 2001, by the securities commissions in Ontario, Alberta and British Columbia, for failure to file audited financial statements for the year ended December 31, 2000 and interim financial statements of the three-month period ended March 31, 2001. The cease trade order is still in effect.

To the best knowledge of the management of the Corporation, none of the nominees for election as a director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Item 3 – Re-appointment of Auditor

The auditor of the Corporation is currently KPMG LLP, Chartered Professional Accountants (“**KPMG**”), first appointed on January 1, 2011. The Board of Directors recommends that KPMG be re-appointed as the Corporation’s auditor to hold office until the close of the next annual meeting of Shareholders and that the directors be authorized to fix their remuneration.

SECTION III – EXECUTIVE COMPENSATION AND OTHER INFORMATION

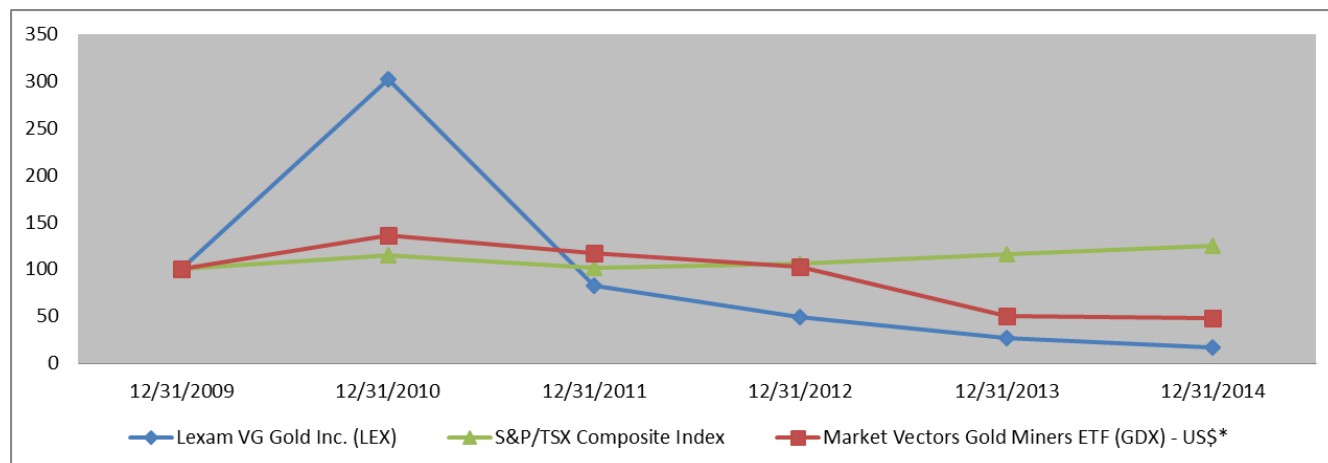
For the purposes of this Circular:

- (a) “**CEO**” of the Corporation means an individual who acted as chief executive officer of the Corporation or acted in a similar capacity, for any part of the most recently completed financial year;
- (b) “**CFO**” of the Corporation means an individual who acted as chief financial officer of the Corporation or acted in a similar capacity, for any part of the most recently completed financial year;
- (c) “**executive officer**” of the Corporation means an individual who is the chairman or vice-chairman of the board, an officer of the Corporation or any of its subsidiaries who performed a policy-making function in respect of the Corporation, or any other individual who performed a policy-making function in respect of the Corporation;
- (d) “**Named Executive Officers**” or “**NEO**” means:
 - (i) a CEO;
 - (ii) a CFO;
 - (iii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually more than CDN\$150,000; and
 - (iv) any additional individuals who would have been included under paragraph (iii) were it not for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

(e) “**Option Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features; and

(f) “**Share Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Performance Graph



(1) Performance prior to January 1, 2011 reflects VG Gold Inc. only.

	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Lexam VG Gold Inc. (LEX)	100.00	301.37	82.19	49.32	27.40	16.44
S&P/TSX Composite Index	100.00	114.45	101.78	105.86	115.97	124.57
Market Vectors Gold Miners ETF (GDX) - US\$*	100.00	136.14	116.53	102.94	50.13	47.46

Summary Compensation Table

The following table sets forth all compensation paid by the Corporation to its NEOs for the financial year ended December 31, 2014.

Name & Principal Position	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Others (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long Term Incentive Plans (\$)			
Andrew Iaboni ⁽¹⁾ Chief Financial Officer	2014	20,064	-	-	-	-	-	-	20,064

(1) Represents a part-time position. Mr. Iaboni was appointed Chief Financial Officer effective April 15, 2013.

Compensation Discussion and Analysis

The Corporate Governance, Nominating and Compensation Committee is responsible for periodically reviewing the Corporation’s compensation arrangements with its executive officers. When reviewing the compensation of the executive officers, the Corporate Governance, Nominating and Compensation Committee considers, among other factors, the objectives of: (i) recruiting and retaining the executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

The Corporate Governance, Nominating and Compensation Committee has the responsibility of periodically negotiating the senior executive officers' total compensation package, reviewing and advising on stock option guidelines, including making recommendations on specific option grants and to review and communicate to the Board of Directors the compensation policies and principles that will be applied to other executives and employees of the Corporation.

All employees of the Corporation receive compensation based on market value for the type of role they perform. Additional consideration is given to internal pay equity and performance and time devoted to the Corporation. The compensation payable to employees consists of three main elements: base salary, short-term incentive and long-term incentive by way of the grant of stock options in accordance with the policies of the Toronto Stock Exchange ("TSX").

Base Salary

In the Corporate Governance, Nominating and Compensation Committee's view, paying base compensation that is competitive in the market in which the Corporation operates is the first step to attracting and retaining talented, qualified and effective executives.

The base salary of each particular executive officer is determined by an assessment by the Corporate Governance, Nominating and Compensation Committee of such executive officer's performance, a consideration of competitive compensation levels in companies similar to the Corporation and a review of the performance of the Corporation as a whole and the role such executive officer played in such company performance.

Short-Term Incentive

Bonuses are performance based short-term financial incentives and may be paid based on certain indicators such as personal performance, team performance and/or Corporation financial performance. Bonus levels will be determined by level of position of the executive officer with the Corporation.

Long-Term Incentive

The Corporation may provide a long-term incentive by granting stock options to executive officers in accordance with the policies of the TSX and in accordance with the Corporation's equity compensation plan. Any options granted permit executive officers to acquire Common Shares at an exercise price equal to the closing market price of such shares on the last trading day immediately preceding the day on which the options are granted. The objective of granting options is to encourage executive officers to acquire an ownership interest in the Corporation over a period of time, which acts as a financial incentive for such executive officer to consider the long-term interests of the Corporation and its shareholders. When determining the number of stock options to be granted to an executive officer, the Corporate Governance, Nominating and Compensation Committee and the Board of Directors takes into account the number and terms of outstanding stock options and vesting provisions when determining whether or not new stock option grants should be made to such executive officer. NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Incentive Plan Awards – Outstanding Share Based Awards and Option Based Awards

No share or option based awards have been issued pursuant to the equity incentive plan since the Corporation became a reporting issuer on January 1, 2011.

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options	Number of Shares or Units of Shares That Have Not Vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andrew Iaboni <i>Chief Financial Officer</i>	-	-	-	-	-	-	-

Incentive Plan Awards – Value Vested or Earned for the Year Ending December 31, 2014

The following table provides details as to Incentive Plan Awards – Value Vested or Earned during the year ended December 31, 2014.

	Option based awards – value vested during the year	Share based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
Andrew Iaboni <i>Chief Financial Officer</i>	-	-	-

Pension Plan Benefits – Defined Benefit or Contribution Plans

The Corporation does not have a Defined Benefit Plan or a Defined Contribution Plan.

Deferred Compensation Plans

The Corporation does not have a deferred compensation plan in place relating to the NEO.

Termination and Change of Control Benefit

The NEO does not have a written employment contract that provides for termination or change of control benefits.

Compensation of Directors

For the Corporation's most recently completed fiscal year ended 2014, except as noted below, no compensation of any kind was accrued, owing or paid to any of the Corporation's directors for acting in their capacity as such.

Director Compensation Table

Name	Year	Fees (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Others (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long Term Incentive Plans (\$)			
Robert R. McEwen ⁽¹⁾	2014	-	-	-	-	-	-	-	-
Richard W. Brissenden	2014	20,000	-	-	-	-	-	-	20,000
John C. Drake	2014	10,000	-	-	-	-	-	-	10,000
Robin E. Dunbar	2014	10,000	-	-	-	-	-	-	10,000
Hugh C. Squair	2014	10,000	-	-	-	-	-	-	10,000
John G. Tait	2014	10,000	-	-	-	-	-	-	10,000
Robert E. Van Tassell	2014	10,000	-	-	-	-	-	-	10,000

Notes:

(1) Mr. McEwen receives no compensation, at his request, for serving as a director of the Corporation.

Incentive Plan Awards – Value Vested or Earned for the Year Ending December 31, 2014

The following table provides details as to Incentive Plan Awards – Value Vested or Earned during the year ended 2014 in respect of the directors or the Corporation.

Name	Option based awards – value vested during the year	Share based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
Robert R. McEwen	-	-	-
Richard W. Brissenden	-	-	-
John C. Drake	-	-	-
Robin E. Dunbar	-	-	-
Hugh C. Squair	-	-	-
John G. Tait	-	-	-
Robert E. Van Tassell	-	-	-

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information, as at December 31, 2014, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	-	-	-
Equity compensation plans not approved by securityholders	-	-	-
Total	-	-	-

Equity Incentive Plan

The Corporation maintains an equity incentive plan. No issuances or grants of stock options have been made since the Corporation became a reporting issuer and any future issuances or grants would be required to be made in accordance with the policies of the TSX.

Indebtedness of Officers and Directors

No officer or director is indebted to the Corporation or to any entity in connection with indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Summary of Equity Compensation Plan

The equity compensation plan (the “**Plan**”) of Lexam VG Gold Corp. was adopted by the Corporation upon its formation on January 1, 2011 as a result of the amalgamation of Lexam Explorations Inc. and VG Gold Corp. No options have been issued pursuant to such plan since the Corporation became a reporting issuer on January 1, 2011 and any future issuances or grants would be required to be made in accordance with the policies of the TSX.

The following is a summary of the Plan:

- A total of 22,400,000 stock options (just under 10% of the total outstanding capital) are issuable under the Plan. The total number of securities issuable under actual grants or awards by the Corporation is 3,017,500 (approximately 1.3% of the total outstanding capital). All of these securities are issuable under previous options from predecessor entities. No grants have been made under the Plan. The maximum percentage of securities under the Plan and any of the Corporation's other security based compensation arrangements issuable to insiders of the Corporation at any time (a) shall not exceed 10% of the Shares then issued and outstanding; and, (b) shall not exceed 10% of the Shares then issued and outstanding in an one-year period.
- Unless otherwise determined by the Board of Directors, the option price shall be equal to the closing market price of the underlying security on the grant date. In no event shall the option price be less than the market price of the underlying shares on the grant date. The option price shall be fixed for the term of an option.
- Unless otherwise determined by the Board of Directors, the options shall become exercisable in respect of 33.33% of the options subject to such grant after each anniversary of the granting of such option (i.e. 33.33% of such Shares after the first anniversary, 66.66% of such Shares after the second anniversary, etc.), except as otherwise provided for in the Plan.
- Unless otherwise determined by the Board of Directors, the option period shall be ten (10) years from the grant date. Notwithstanding the foregoing, if the option period should end within a blackout period or within nine (9) business days after a blackout period expiry date, the expiration date of the option will be the date which is ten (10) business days after the blackout period expiry date.
- Persons eligible to receive stock options pursuant to the Plan are any officer, director, employee, or service provider (provided such service provider is engaged to provide services for an initial, renewable or extended period of twelve months or more) of the Corporation or any affiliate (an "**Eligible Individual**"); or a corporation controlled by an Eligible Individual, all of the issued and outstanding voting securities of which are, and will continue to be, beneficially controlled, directly or indirectly, by such Eligible Individual and/or the spouse of such Eligible Individual.
- If before the expiry of an option, an optionee retires from the Corporation, the option granted shall be exercisable by the optionee until the earlier of: (i) the expiration date of the option; and (ii) the end of the thirty-six (36) month period which commences on the date the optionee retired. After such period, the option and all rights of the optionee shall immediately expire and terminate.
- If before the expiry of an option, an optionee dies, the option granted to such optionee shall be exercisable by the personal representatives, heirs or legatees of the deceased optionee until the earlier of: (i) the expiration date of the Option; and (ii) the end of the ninety (90) day period which commences on the date of the optionee's death. After such period, the option and all rights of the optionee thereunder shall immediately expire and terminate.
- If before the expiry of an option, (i) an optionee resigns from his office or employment with the Corporation and any affiliate or (ii) the optionee's employment or office with the Corporation and any Affiliate is terminated without cause, the option granted to such optionee shall be exercisable by the optionee until the earlier of: (i) the expiration date of the option; and (ii) the end of the ninety (90) day period which commences on the date the optionee tenders his or her resignation or on which his employment or office is terminated; to the same extent that the option would have otherwise been exercisable by such optionee prior to the date of such resignation or termination (unless the Board of Directors determines otherwise). For greater certainty, the option shall only be exercisable in respect of the optioned shares for which it was exercisable at the date of resignation or termination and shall not become exercisable in respect of any additional shares during the period thereafter. After the period

when the option may be exercised, the option and all rights of the optionee thereunder shall immediately expire and terminate.

- If before the expiry of an option, the optionee's employment or office with the Corporation and any Affiliate is terminated for cause by the Corporation and any such Affiliate, the Option granted to such optionee shall immediately expire and terminate.
- An option is personal to the optionee and is non-assignable and non-transferable.
- The Board of Directors may at any time or from time to time suspend, terminate or discontinue the Plan without the consent of the optionees, provided that such suspension, termination or discontinuance may not in any manner adversely affect the rights under any options granted under the Plan. Subject to any required approval of any regulatory authority or the Toronto Stock Exchange, the Board of Directors may at any time alter, amend or vary the Plan or any outstanding option without the approval of the Shareholders of the Corporation if the alteration, amendment or variance:
 - is of a housekeeping nature, including without limitation, for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
 - is necessary to comply with applicable law or the requirements of the Stock Exchange;
 - changes the vesting provisions of any option;
 - changes the termination provisions of an option or the Plan which does not entail an extension beyond the original expiry date;
 - reduces the exercise price of any option not held by an insider of the Corporation; or
 - extends the term of any option not held by an insider of the Corporation.
- The Board of Directors may only with the approval of the Shareholders of the Corporation:
 - amend the number of Shares issuable under the Plan;
 - change the eligible participants under the Plan;
 - reduce the exercise price of any Option held by an Insider; or
 - extend the term of any Option held by an Insider.
- no optionee shall be entitled to receive any dividends or other distributions paid by the Corporation on the shares on account of such optionee's option, nor will any other form of benefit be conferred upon, or in respect of, an optionee for such a purpose.

SECTION IV - STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board of Directors currently consists of seven (7) members. The majority of the Board of Directors are independent. Six (6) of its members, Messrs. Brissenden, Drake, Dunbar, Squair, Tait and Van Tassell are independent directors.

In determining whether the directors were independent directors, the Board of Directors considered the circumstances of the directors and whether their interests and relationships could or could not reasonably be expected to interfere with their exercise of independent judgment. Mr. Robert R. McEwen, Director and Non-

Executive Chairman is not independent. As of the date of this Circular, Mr. McEwen owned directly or indirectly 60,739,962 (approximately 26.8%) of the outstanding Common Shares.

The Board of Directors has held four (4) meetings since the beginning of the financial year ended December 31, 2014 and one meeting since the completion of the Corporation's most recently completed financial year, December 31, 2014. At each regularly scheduled meeting, at the election of the Board, the independent directors may hold in-camera sessions. Two (2) in-camera sessions have been held since the beginning of the Corporation's most recently completed financial year, December 31, 2014. Messrs. McEwen, Brissenden, Dunbar and Squair attended four out of four meetings and Messrs. Drake, Tait and Van Tassell attended three out of four meetings.

Each of the directors is also presently a director of other reporting issuers as follows:

Robert R. McEwen	McEwen Mining Inc. (formerly US Gold Corporation) (since 2005) McEwen Mining – Minera Andes Acquisition Corp. (since 2012)
Richard W. Brissenden	Banro Corporation (since 2013) PC Gold Inc. (since 2013) McEwen Mining Inc. (since 2012) Ryan Gold Corp. (formerly Valdez Gold Inc.) (since 2002) Corona Gold Corporation (since 1996)
John C. Drake	iLOOKABOUT Corp. (since 2011) Critical Outcome Technologies Inc. (since 2008)
Robin E. Dunbar	Mustang Minerals Corp. (since 1996)
Hugh C. Squair	Plato Gold Corp. (since 2010) Gobi Gold Inc. (since 2004) Rome Resources Ltd. (since 2002) Gensource Capital Corporation (since 2002) Goldrea Resources Ltd. (since 2002)
Robert E. Van Tassell	Plato Gold Corp. (since 1999)

Board Charter

The Board of Directors has adopted a formal written charter which is attached to this Circular as Appendix "A".

Position Descriptions

The Corporation has developed position descriptions for the Chairman, President & CEO, Board of Directors and committee chair positions.

Chairman

The Chairman of the Board of Directors is responsible for providing leadership to the Board of Directors in reviewing and deciding upon matters that exert major influence on the manner in which the Corporation's business is conducted. This includes corporate strategic planning, policy formulation and mergers and acquisitions.

The Chairman of the Board of Directors also manages the affairs of the Board of Directors to assist the directors in carrying out their responsibilities and to enhance the effectiveness and cohesion of the Board of Directors as a whole. This includes the oversight of the implementation of sound corporate governance practices. Further, the Chairman ensures the Corporation's management (and where applicable, the Board of Directors) is appropriately represented at official functions and meetings; and supports the orientation of new directors and the continued education of incumbent directors. This includes working with the Corporate Governance, Nominating, and Compensation Committee to support the director recruitment process and structuring of Board committees.

President and CEO

The President and CEO has primary accountability for the success and growth of the Corporation and is directly accountable to the Board of Directors for all activities of the Corporation, including operating and capital budgets. Working closely with the Board of Directors and the management team, the President and CEO ensures that the Corporation establishes appropriate goals, manages its resources to meet these goals and executes the steps necessary to deliver the highest possible standards of business performance.

Along with all directors and officers of the Corporation, the President and CEO helps foster a corporate culture that promotes ethical conduct and integrity of the Corporation, its management, and employees as well as ensuring that the appropriate processes and rules are in place and observed so that ethical conduct and integrity is achieved in practice.

Board Committee Chairs

Independent directors hold the Audit Committee and Corporate Governance, Nominating and Compensation Committee chair positions, being the only regular committees of the Board of Directors. The committee chairs' responsibilities include advance review of agendas and meeting material to ensure meetings are conducted in a productive manner that enhances the Board of Directors' overall effectiveness and independence and that the scope of work falls within the responsibilities relegated to the committee pursuant the various committee charters. Committee chairs may engage independent advisors as part of that process.

Orientation and Continuing Education

The Board of Directors of the Corporation takes the following steps to ensure that all new directors receive orientation regarding 1) the role of the Board of Directors; 2) the Corporation's committees and directors; and 3) the nature and operations of the Corporation.

As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experiences of each director. The first step is to assess a new director's set of skills and professional background. This allows the orientation to be customized to that director's needs since different information regarding the nature and operations of the Corporation's business will be necessary and relevant to each new director.

Once assessed, the second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through meetings, telephone calls and correspondence.

To ensure the Board of Directors provides continuing information for its directors so they maintain the skill and knowledge necessary for them to meet their obligations as directors of the Corporation, there are technical presentations made as required at meetings of the Board of Directors. The presentations can range from a review of the Corporation's financial statements to various aspects of the Corporation's business. The Board of Directors believes the discussion among the directors, management and outside experts at these meetings provides a valuable learning resource for directors without expertise in the subject matter being presented.

Ethical Business Conduct

The Board of Directors has adopted a Code of Business Conduct and Ethics (the “**Code**”). The Code is available under the Corporation’s profile on SEDAR (www.sedar.com). The Board of Directors does not actively monitor compliance with the Code, but requires prompt notification of apparent or real breaches so that it may investigate and take action. The Board of Directors recognizes its responsibility to set the tone for proper conduct by the Corporation’s management and employees in carrying on business. The Chief Financial Officer and Controller jointly monitor the Code.

In addition, the Board of Directors encourages management to consult with legal and financial advisors to ensure the Corporation is meeting the legal and financial requirements. The Board of Directors remains cognizant of the Corporation’s timely disclosure obligations and reviews material disclosure documents such as financial statements, Managements’ Discussion & Analysis (MD&A) and news releases prior to distribution. And further, the Board of Directors relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation’s external auditor.

The Board of Directors actively monitors the Corporation’s compliance with the Board’s directives and ensures that all material transactions are reviewed and authorized by the Board of Directors before being undertaken by management.

Under corporate law, the directors are required to disclose to the Board of Directors (and to any applicable committee) any financial interest or personal interest in any contract or transaction that is being considered by the Board of Directors or committee for approval that they or an associate may have. The interested director shall abstain from voting on the matter and, in most cases, should leave the meeting while the remaining directors discuss and vote on such matter. Disclosed conflicts of interest are documented in the minutes of the meeting or resolutions, as the case may be.

The Corporation has implemented an anonymous reporting system, available for all employees, the responses to which are monitored by the chair of the Audit Committee.

Nomination of Directors

The Corporation has a combined Corporate Governance, Nominating and Compensation Committee. In respect of nomination of new directors, the committee’s responsibilities include identifying and recommending new members to the Board of Directors, reviewing on a periodic basis the qualifications of the existing members of the Board of Directors, reviewing on a periodic basis the size and composition of the Board of Directors and of the various committees, making recommendations to the Board of Directors, and establishing procedures for the appropriate orientation and education programs for new appointees to the Board of Directors and the continuing education of the Board of Directors. The current members of the Corporate Governance, Nominating and Compensation Committee are Messrs. Drake, Brissenden and Van Tassell, all of whom are independent directors.

Under our Majority Voting Policy adopted by the Board on March 21, 2013, in the absence of a contested election, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election must promptly tender his or her resignation to the Chairman of the Board. The Corporate Governance, Nominating and Compensation Committee of our Board (or, under certain circumstances, another committee appointed by the Board) will promptly consider that resignation and will recommend to the Board whether to accept the tendered resignation or reject it based on all relevant factors. The Board must then act on that recommendation and must disclose its decision in a news release.

Compensation

The Corporate Governance, Nominating and Compensation Committee of the Corporation (see “Section IV – Statement of Corporate Governance Practices – Nomination of Directors”) act on behalf of and subject to the direction of the Board of Directors of the Corporation in all matters pertaining to the compensation, benefits and performance of the executive officers and all personnel of the Corporation that report to the President and Chief Executive Officer and any other business entity controlled in fact by the Corporation (each an "affiliate") (including the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Controller and any group of senior employees identified by the Corporate Governance, Nominating and Compensation Committee from time to time), this group being referred to as the "Senior Management Group" and to review the compensation of the Board of Directors and the members of any committees. The objective of the Committee is to assist in attracting, retaining and motivating executives and key personnel in view of the Corporation's goals.

The process followed by the committee in respect of compensation is described under “Section III – Executive Compensation and Other Information - Compensation Discussion and Analysis”.

In addition, the Executive Chairman of the Board, directors, CEO, CFO, Corporate Secretary and executive officers may, subject to the required shareholder approval, be granted stock options under the Corporation's Plan. The Board of Directors determines the terms of each stock option within the parameters set out according to the Corporation's Plan and applicable stock exchange rules and policies.

The responsibilities of this committee include developing or approving performance indicators and corporate objectives for the CEO and assessing the performance of the CEO annually against such benchmarks, determining or recommending to the Board of Directors the compensation, including annual salary of the CEO based on the preceding, making recommendations to the Board of Directors regarding compensation, incentive compensation plans and equity based plans of the Senior Management Group, monitoring and assessing the Senior Management Group, reviewing and approving Senior Management Group employment agreements, reviewing and approving the President and CEO's recommendations for bonus, severance and termination arrangement of the Senior Management Group, reviewing and making recommendations on compensation of the Board, and members of the committees.

Other Board Committee

The Board of Directors presently has two committees, the Audit Committee (see “Section V – Audit Committee Disclosure – Composition of the Audit Committee”) and the Corporate Governance, Nominating and Compensation Committee.

Assessments

The Board of Directors does not currently have a regular assessment mechanism with respect to effectiveness and contribution. Such a procedure may be developed in the future.

The directors of the Corporation, as a whole, may conduct a self-evaluation, whether formally or informally, to assess the level of effectiveness of each director and the overall Board of Directors. In addition, the directors of the Corporation, as a whole, may periodically consider the mix of skills and experience that directors bring to the Corporation to assess, on an ongoing basis, whether the directors of the Corporation have the necessary skills to perform their oversight function effectively.

Director Term Limits and Other Mechanisms of Board Renewal

As set forth above under “Section II – Business of the Meeting – Item 2 – Election of Directors, each director (if elected) serves until the next annual meeting of Shareholders or until his successor is duly elected or appointed. The Board of Directors does not currently have a limit on the number of consecutive terms for which a director may sit; while the Board has experienced relatively infrequent turnover of directors since the Corporation

became a reporting issuer, the Board expects appropriate levels of turnover through normal processes in the future.

Composition of the Board

The members of the Board of Directors have diverse backgrounds and expertise, and were selected on the belief that the Corporation and its stakeholders would benefit materially from such a broad range of talent and experience. As the need for new directors or executive officers arise, the Corporate Governance, Nominating and Compensation Committee assesses candidates on the basis of knowledge, industry experience, financial literacy, professional ethics and business acumen. While the Corporate Governance, Nominating and Compensation Committee recognizes the potential benefits from new perspectives that could manifest through greater gender diversity and recognizes that diversity can enhance culture and create value for the Corporation and its stakeholders, the Corporation has not formally adopted a written diversity policy and, given the size and stage of development of the Corporation, the committee does not at this time formally consider the level of representation of women on the board or in senior management when identifying candidates for such positions. Currently, the number of women directors and executive officers of the Corporation is nil (or zero percent of current directors and executive officers, respectively). While the Corporation has not set a target with respect to the appointment of female directors or executive officers (in part due to infrequent turnover of directors and executive officers since the Corporation became a reporting issuer), the Corporation is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

SECTION V - AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”) reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee’s Charter, composition of the Audit Committee and the fees paid to the external auditor.

The members of the Audit Committee are Richard W. Brissenden, John Drake and Robin Dunbar. The Audit Committee has held four (4) meetings since the beginning of the financial year ended December 31, 2014.

Audit Committee Charter

Purpose of the Committee

The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Corporation’s financial statements and other relevant public disclosures, the Corporation’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

Members of the Audit Committee

All Audit Committee members must be “financially literate” as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. None of the members of the Audit Committee shall be members of management of the Corporation, and all of them shall be “independent” as defined under NI 52-110. The Audit Committee shall be comprised of no less than three (3) independent members of the Board of Directors.

Relationship with External Auditors

The external auditors are the independent representatives of the Shareholders, but they are also accountable to the Board of Directors and the Audit Committee. The external auditors must be able to complete their audit

procedures and reviews with professional independence, free from any undue interference from the management or directors.

The Audit Committee must direct and ensure that management fully co-operates with the external auditors in the course of carrying out their professional duties. The Audit Committee must maintain an open channel of communication with the external auditors.

Non-Audit Services

The external auditors are prohibited from providing any non-audit services to the Corporation, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Corporation, the Audit Committee must consider that the benefits to the Corporation from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their mandate.

Notwithstanding, the external auditors are prohibited at all time from acting as an agent of the Corporation for the sale of all or substantially all of the undertakings of the Corporation, and performing any non-audit consulting work for any director or senior officer of the Corporation in their personal capacity.

Appointment of Auditors

The external auditors will be appointed each year by the Shareholders of the Corporation at the annual general meeting of the Shareholders. The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

Evaluation of Auditors

The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board of Directors and the external auditors in writing of any concerns in regard to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principals applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

Remuneration of the Auditors

The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the Shareholders at each general meeting of the Shareholders. The remuneration of the external auditors will be based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted accounting principles of Canada.

Termination of the Auditors

The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting responsibly.

Funding of Auditing and Consulting Services

The Corporation will fund auditing expenses. The auditors must not perform any other consulting services for the Corporation, which could impair or interfere with their role as the independent auditor of the Corporation.

Role and Responsibilities of the Internal Auditor

At this time, due to the Corporation's size and limited financial resources, the Chief Financial Officer shall be responsible for implementing internal controls and performing the role of internal auditor to ensure that such controls are adequate.

Oversight of Internal Controls

The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

Continuous Disclosure Requirements

The Chief Financial Officer and Corporate Secretary are jointly responsible for ensuring that the Corporation's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

Other Auditing Matters

The Audit Committee may meet with the auditors independently of the management of the Corporation at any time, acting responsibly. The auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Corporation.

Annual Review

The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of the Charter.

Independent Advisers

The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

Composition of the Audit Committee

The following directors are members of the Audit Committee:

Richard W. Brissenden	Independent ⁽¹⁾ <input checked="" type="checkbox"/>	Financially Literate ⁽²⁾ <input checked="" type="checkbox"/>
John Drake	Independent ⁽¹⁾ <input checked="" type="checkbox"/>	Financially Literate ⁽²⁾ <input checked="" type="checkbox"/>
Robin Dunbar	Independent ⁽¹⁾ <input checked="" type="checkbox"/>	Financially Literate ⁽²⁾ <input checked="" type="checkbox"/>

Notes:

- ⁽¹⁾ A member of an audit committee is independent if the member has no direct material relationship with the Corporation, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- ⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Educational Experience

Set out on pages 6 and 7 are descriptions of the education and experience of each Audit Committee member (Messrs. Brissenden, Drake and Dunbar) that is relevant to the performance of his responsibilities as an Audit Committee member.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in any of Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 (Initial Public Offerings), Section 3.4 (Events Outside Control of Member), Section 3.5 (Death, Disability or Resignation of Audit Committee Member) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in any of Subsection 3.3(2) (Controlled Companies) of NI 52-110, Section 3 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 (Acquisition of Financial Literacy).

Pre-Approval Policies and Procedures

The Audit Committee has been authorized by the Board of Directors to review the performance of the Corporation's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reason for such non-audit work for the Committee's consideration.

External Auditor Service Fees

The fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Corporation or its subsidiaries (if any) are as follows:

Category of Fee	Description	Amount 2014	Amount 2013
Audit Fees	Fees incurred by the Corporation's external auditor in connection with the audit of the Corporation's financial statements and with the review of the Corporation's interim financial statements.	\$52,000	\$53,500
Audit-Related Fees	Fees incurred by the Corporation's external auditor in connection with a non-audit review and change of auditor notice.	-	-
Tax Fees	Fees billed by the Corporation's external consultants in connection with preparation of tax returns and certain tax advice.	-	-
All Other Fees	Fees billed by the Corporation's external auditor other than the services reported under "Audit Fees", "Audit-Related Fees" or "Tax Fees".	-	-
Total Fees		\$52,000	\$53,500

Shareholder Communications

The Board of Directors has authorized management to represent the Corporation in its communication with Shareholders and members of the investment community. In addition, management meets regularly with investors and other interested parties to receive and respond to inquiries and comments. The Corporation seeks

to ensure that all inquiries and concerns receive a complete and timely response from the appropriate officer of the Corporation.

The Board of Directors reviews the Corporation's significant communications with investors and the public, including quarterly financial statements, the annual management information circular and the annual report to Shareholders. Our Board of Directors will also review and consider communications from our shareholders and other interested parties. Any interested party who desires to contact the Board of Directors may do so by fax, telephone, or regular mail to the Board of Directors, c/o Nils Engelstad, Corporate Secretary, at 150 King Street West, Suite 2800, Toronto, Ontario Canada M5H 1J9, telephone (647) 258-0395, facsimile (647) 258-0408. Such communications can be sent to the Board by mail in a sealed envelope addressed to an individual director, the non-management directors or the full Board. The Corporate Secretary will deliver the envelope unopened (1) if addressed to a director, to the director, (2) if addressed to the Board, to the Chairman of the Board, who will report thereon to the Board, or (3) if addressed to the non-management directors, to the Chair of the Audit Committee who will report thereon to the non-management directors. Shareholders can also send electronic communications to the Board via e-mail to directors@lexamvoggold.com. The Corporate Secretary will forward the communication to the intended recipient.

Expectations of Management

The Board of Directors has charged management of the Corporation with responsibility for the efficient management of the business and for the identification and proposal of initiatives for the Corporation to secure opportunities as they arise. In order for the Board of Directors to effectively carry out its mandate, it must have confidence in the abilities of management, which reports to it with respect to identifying issues and corporate opportunities.

Members of the Board of Directors recognize the value of direct input from senior officers of the Corporation. This serves to assist directors in their deliberations. Where appropriate, members of management are invited to attend meetings of the Board of Directors to provide information as well as their opinion on various matters.

SECTION VI – OTHER BUSINESS

The form of proxy accompanying this Circular confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting or other matters, which may properly come before the Meeting. Management of the Corporation knows of no matter to come before the Meeting or of any amendment or variation to matters identified in the Notice of the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should properly come before the Meeting, Common Shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the person voting such shares.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (as that term is defined in National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators) or any nominee for election as a director, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, 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.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Further financial information is provided by the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014 and related managements' discussion and analysis of results have also been filed on SEDAR. Shareholders may also contact Mr. Nils Engelstad, Corporate Secretary, by phone at (647) 258-0395 to request a copy of these documents.

BOARD OF DIRECTORS APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors of the Corporation.

DATED this 1st day of April 2015.

A handwritten signature in black ink, appearing to read 'R. McEwen', with a stylized, flowing script.

Robert R. McEwen
Chairman of the Board

APPENDIX "A"

Charter of the Board of Directors of Lexam VG Gold Inc.

1. Role of the Board of Directors.

The role of the Board of Directors (the "**Board**") of Lexam VG Gold Inc. ("**Lexam VG**" or the "**Corporation**") is to oversee the business of the Corporation, to select and provide guidance to the CEO and other officers, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to management. At all times, the Board acts with a view towards the best interests of the Corporation and its shareholders.

2. Scope of the Board's Authority.

The Board meets regularly to provide guidance to management, review reports on the performance of the Corporation and discuss significant decisions regarding the continued business of the Corporation. The Board is also directly responsible for the following functions:

- (a) **Selection of the CEO.** The Board is directly responsible for the selection, evaluation, and role definition of the CEO of the Corporation. The Board's Corporate Governance, Nominating and Compensation Committee sets the compensation of the CEO.
- (b) **Responsibility for senior management.** The Board is responsible for the selection and evaluation of the Corporation's senior management.
- (c) **Corporate Strategy.** The Board is responsible for developing, planning and overseeing the Corporation's strategic objectives, approving and monitoring management's role in realising these objectives and making major decisions affecting the Corporation's future.
- (d) **Risk assessment.** The Board, along with management, is responsible for assessing the major risks faced by the Corporation, and for planning, approving and monitoring the management of these risks.
- (e) **Integrity.** The Board has primary responsibility for maintaining the integrity and ensuring that affairs are conducted in an ethical manner by both the Corporation and its management. The Board sets and implements internal controls, directly and through its Audit Committee.

3. Composition of the Board

- (a) **Selection and size of the Board.** The Board is elected by the shareholders of the Corporation at the Corporation's annual meeting of shareholders. The Corporate Governance, Nominating and Compensation Committee proposes a list of candidates to the Board, which in turn proposes them to the shareholders for election. Shareholders may also make independent proposals for nominations to the Board, by complying with the requirements of the *Business Corporations Act* (Ontario) ("**OBCA**"), or alternatively, at the annual meeting.

The number of directors is recommended by the Board for shareholder approval, subject to the requirements of the OBCA and the Corporation's Articles of Incorporation. Between annual meetings, the Board may appoint new or replacement directors to serve until the next annual meeting.

- (b) **Qualifications of Directors.** The Corporation seeks to have an active Board that is well suited to advancing the best interests of the shareholders. As such, the members of the Board should possess skills and competencies in areas relevant to the Corporation's activities, and should complement each other's strengths. A majority of the Corporation's directors are to be unrelated directors, as defined by the Toronto Stock Exchange.
- (c) **Orientation of New Directors.** The Corporate Governance, Nominating and Compensation Committee, working with management, are responsible for the orientation and education of new directors, who are offered, when applicable, the opportunity to undertake additional training.
- (d) **Meetings.** The Board meets at least once per quarter, in person or by telephone. Prior to each meeting of the Board, the lead director and the CEO discuss agenda items for inclusion, and prepare materials for distribution to the directors.

At the end of each regularly scheduled meeting of the Board, the unrelated directors will meet without management presence, chaired by the lead director. Any director may initiate meetings without management presence by contacting the lead director.

- (e) **Committees.** The Board has established the following two standing committees: Audit and Corporate Governance, Nominating and Compensation. Each with their stand-alone Charter approved by the Board.
- (f) **Access to outside advisors.** The Board and any committee may, at any time, retain outside advisors at the expense of the Corporation.

The Board, as well as its committees and individual members, are expected to abide by the Corporation's Code of Business Ethics.