



TREVALI MINING CORPORATION

2016 NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

DATE / TIME:	June 1, 2016 / 9:00 a.m. PDT
PLACE:	Pinnacle Hotel Vancouver Harbourfront Salon F 1133 West Hastings Street Vancouver, BC

DATED: APRIL 18, 2016

CORPORATE DATA**Head Office**

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Mark Cruise
 Anton Drescher
 Michael Hoffman
 Christopher Eskdale
 Catherine Gignac
 Valentin Paniagua
 David Huberman
 Peter Meredith

Officers

Mark Cruise, President & CEO
 Paul Keller, COO
 Anna Ladd, CFO
 Steve Stakiw, VP IR/Corporate Communications
 Daniel Marinov, VP Exploration
 Marla Ritchie, Corporate Secretary

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Stock Exchange Listings

Toronto Stock Exchange (TV)
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TREVALI MINING CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Trevali Mining Corporation (the “**Company**”) will be held at the Pinnacle Hotel Vancouver Harbourfront, Salon F, 1133 West Hastings Street, Vancouver, BC, V6E 3T3 on Wednesday, June 1, 2016 at the hour of 9:00 a.m. (Vancouver Time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended December 31, 2015, together with the report of the auditor thereon;
2. to elect the directors of the Company;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix its remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution approving the Company’s amended Stock Option and Stock Bonus Plan (the “**SOSB Plan**”) and all unallocated stock options and other entitlements under the SOSB Plan, as more particularly described in the accompanying management information circular dated April 18, 2016 (the “**Circular**”);
5. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution amending and approving the Shareholder Rights Plan Agreement between the Company and Computershare Investor Services Inc., as rights agent, as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) is the management information circular of the Company dated April 18, 2016, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and a reply card for use by shareholders who wish to receive the Company’s interim and/or annual financial statements.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1, Attention: Stock Transfer Department, not later than two (2) business days (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Shareholders entitled to receive the Notice and to vote at the Meeting is the close of business on Monday, April 18, 2016.

DATED at Vancouver, British Columbia, this 18th day of April, 2016.

BY ORDER OF THE BOARD

“Mark D. Cruise”

Mark D. Cruise
President, Chief Executive Officer and Director

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TREVALI MINING CORPORATION

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 1, 2016

This information is given as of April 18, 2016 unless otherwise noted

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Trevali Mining Corporation (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Company (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation of proxies will primarily be made by sending proxy materials to Shareholders by mail, and, in relation to the delivery of this Circular, by posting this Circular on our website at www.trevali.com and our SEDAR (as defined below) profile at www.sedar.com pursuant to Notice and Access (N&A Notice, as defined below). See “Notice and Access” on page 3 of this Circular for further information. The solicitation of proxies may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company or by the Company’s transfer agent and registrar. **The Company may retain other persons or companies to solicit proxies on behalf of management in which event customary fees for such services will be paid. All costs of solicitation will be borne by the Company.**

The Company has sent the N&A Notice (as defined below) and a form of proxy or voting instruction form, as applicable (the “**Notice Package**”) to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Company will not directly send the Notice Package to Beneficial Shareholders. Instead, the Company will pay clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Notice Package to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company has elected to pay for the delivery of the Notice Package to objecting Beneficial Shareholders by the Intermediaries. The Company is sending the Notice Package directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Computershare Investor Services Inc. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Notice Package.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1, Attention: Stock Transfer Department, not later than two (2) business days (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

- (i) at the registered office, Suite 2300 - 1177 West Hastings Street Vancouver, BC, V6E 2K3, at any time up to 4:30 p.m. on Friday, May 27, 2016; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners whose names has been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. 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 a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

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

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTICE AND ACCESS

The Company is utilizing the notice-and-access mechanism (“**Notice and Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) in the case of Beneficial Shareholders and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) in the case of registered Shareholders.

Notice and Access allows the Company to deliver this Circular to Shareholders via specified electronic means provided that the conditions of NI 54-101 and NI 51-102 are met.

In accordance with NI 54-101, the Company set the Record Date (as defined below) at least 40 days before the Meeting and also filed a form of notification of the Record Date and the date of the Meeting at least 25 days before the Record Date.

Website Where Meeting Materials are Posted

The Notice and Access provisions are a new set of rules that allow reporting issuers to choose to deliver proxy-related materials to registered Shareholders and Beneficial Shareholders by posting electronic versions of proxy-related materials on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. The Company will not rely upon the use of “stratification”.

In order for a reporting issuer such as the Company to avail itself of the Notice and Access process, the Company must send a notice to Shareholders (the “**N&A Notice**”), including Beneficial Shareholders, indicating the websites where this Circular has been posted and explaining how a Shareholder can access the Circular online or obtain a paper copy from the Company as well as other basic information about the Meeting including, among other things, the matters to be voted on at the Meeting.

Electronic copies of the Circular, the Notice, the annual audited consolidated financial statements of the Company for the year ended December 31, 2015 (“**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the year ended December 31, 2015 (“**MD&A**”) may be found on the Company’s SEDAR profile at www.sedar.com and the Company’s website at www.trevali.com. In relation to the Meeting, Shareholders with existing instructions on their account to receive printed materials and those Shareholders with addresses outside of Canada and the United States will receive a printed copy of the Notice Package. All other Shareholders will receive only the required notification documentation under Notice and Access, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Company anticipates that using Notice and Access for delivery will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about Notice and Access can call the Company toll-free in North America at 1-855-638-3690. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting the Company at the same toll-free number. Requests should be received at least five (5) business days in advance of the proxy cut-off date set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of the date of the Meeting.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Notice Package is being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent the Notice Package directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Notice Package to you directly,

the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Notice Package to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed the close of business on Monday, April 18, 2016 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 383,097,999 common shares in the capital of the Company (the “**Common Shares**”) were issued and outstanding. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every Shareholder shall have one vote for each Common Share of which he, she or it is the holder. The Company has no other classes of voting securities.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), the Company will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Company, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section “**Named Executive Officer**” or “**NEO**” means (a) the Chief Executive Officer, (b) the Chief Financial Officer, (c) each of the Company’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, whose total compensation was more than \$150,000, or (d) any additional individual whose total compensation was more than \$150,000 during the year ended December 31, 2015. As at December 31, 2015, the Company had five NEOs, namely Mark Cruise, the President and Chief Executive Officer (“**CEO**”), Anna Ladd, the Chief Financial Officer (“**CFO**”), Paul Keller, the Chief Operating Officer (“**COO**”), Steve Stakiw, the Vice President IR/Corporate Communications (“**VP IR/CC**”) and Daniel Marinov, Vice President Exploration.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Philosophy and Objectives

In considering executive compensation issues, the Compensation Committee’s goal is to ensure that the compensation provided to executive officers is determined with regard to the Company’s business strategies and objectives. In this manner, the financial interest of the executive officers is aligned with the financial interest of the Shareholders.

The Compensation Committee strives to ensure that the Company’s executive officers are paid fairly and commensurately with their contributions to furthering the Company’s strategic directions and objectives. The Company seeks to attract and retain top quality executives by providing total compensation that is appropriate and competitive with that paid by other mining companies based and operating in Canada with reference to companies with international operations of similar size and scope. The Compensation Committee reviews and determines all elements of the executive officers’ compensation on an annual basis.

Each executive officer’s position is evaluated to establish skill requirements and level of responsibility and this evaluation provides a basis for internal and external comparisons of positions. In addition to industry comparables, the board of directors of the Company (the “**Board**”) and the Compensation Committee consider a variety of factors when determining both compensation policies, programs and individual compensation levels. These factors include the long term interests of the Company and its Shareholders, overall financial and operating performance of the Company and the Board’s and the Compensation Committee’s assessment of each executive’s individual performance and contribution towards meeting annual and longer term corporate objectives.

The general objectives of the Company's compensation strategy are to:

- (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term Shareholder value;
- (b) align management's interests with the long-term interests of Shareholders;
- (c) attract and retain highly qualified executive officers; and
- (d) be competitive with the compensation arrangements of Canadian mining companies with international operations of generally a similar size and scope.

Compensation Committee Governance

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is currently composed of Messrs. Michael Hoffman, David Huberman and Anton Drescher, all of whom are independent.

The Compensation Committee meets on compensation matters at least two times a year and when required. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the NEOs and the Company's other executive officers is determined with regard to the Company's business strategies and objectives, such that the financial interest of the executive officers is aligned with the financial interest of Shareholders, and to ensure that their compensation is fair, reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

The Compensation Committee is involved in setting and reviewing executive compensation in the following ways:

- it annually reviews executive compensation practices among the Company's comparator group to benchmark the Company's executive compensation practices at the median (50th percentile) of the Company's comparators, including base salaries, and applicable targets for short-term and long-term incentive awards to executives along with a review of long-term incentive awards;
- it annually reviews the Company's compensation framework to ensure that it is designed to meet the Company's compensation philosophy and objectives but does not encourage excessive risk taking by executives and other employees, including reviewing the relative weighting of fixed and variable "at risk" compensation;
- it annually reviews and approves (or recommends to the Board for approval, where required) the Company's targets for its annual incentive plan, taking into consideration the Company's corporate objectives and potential risks that the Corporation may face or that are inherent in the industry. The Committee determines the achievement of incentive plan targets;
- it annually reviews and approves compensation for the executives that report directly to the CEO, and makes recommendations to the Board regarding compensation for the CEO;
- it retains discretion to create, modify, reduce or cancel incentive awards;
- it sets and reviews share ownership guidelines and whether directors and executives have met the required standard;
- it reviews NEO and executive termination agreements and NEO termination obligations in relation to market practices and trends; and
- it annually reviews benefits, retirement plans and any perquisites provided to executives.

The Compensation Committee is involved in setting and reviewing non-executive director compensation in the following ways:

- it reviews and recommends to the Board for approval, the annual director retainer; the additional committee chair retainer; the additional Chairman of the Board retainer; the meeting fees; the value of any equity retainer and how such equity retainer will be provided.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Company's compensation policies and practices. Each of the members of

the Compensation Committee have experience on the board of directors and related committees of other public companies, as described under “Particulars of Matters to be Acted Upon - Election of Directors” in this Circular. All of the members of the Compensation Committee are independent.

Compensation Risk

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Company’s compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Company’s practice of compensating its officers primarily through a mix of salary, stock options, bonus shares, restricted share units (“**RSUs**”), deferred share units (“**DSUs**”) and performance share units (“**PSUs**”) is designed to mitigate risk by: (i) ensuring that the Company retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Company and its Shareholders. The Board, together with the Compensation Committee, uses a number of strategies to reduce the risk associated with compensation, including:

- reviewing and approving annual corporate objectives and then assessing performance against these objectives when awarding the individual performance component of the annual bonus;
- considering the Company’s performance relative to its peers when reviewing the corporate performance component of the executive officers’ annual bonus; and
- setting standard vesting terms on stock option grants which align optionees’ interests with longer term growth of the Company using 36-month vesting provisions on any stock options granted with five year option terms.

As at the date of this Circular, the Board had not identified risks arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Financial Instruments

A review of comparator proxy data indicated that close to half of the Company’s comparator companies have resolutions that prohibit NEOs and directors from purchasing financial instruments designed to hedge or offset a decrease in long term incentive plan compensation granted. To the Company’s knowledge, no executive officer or director of the Company has entered into or purchased a financial instrument.

In order to further mitigate the potential for NEOs and directors from taking inappropriate or excessive risks relating to compensation, the Board passed a resolution in early 2014 which prohibits NEOs and directors from purchasing financial instruments, such as 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 a NEO or director.

Executive and Director Compensation-Related Fees

The Compensation Committee may from time to time engage independent consultants to conduct a comparator group review and analysis of executive and director compensation.

During the year ended December 31, 2014 the Company paid a fee of \$4,767 to Mercer (Canada) Limited to purchase the 2014 Canada Mining Industry Corporate Compensation Report and the 2014 Canada Mining Industry Mine Site Compensation Report.

During the year ended December 31, 2015, the Company performed an internal review and analysis of executive and director compensation, as discussed in benchmarking below.

Benchmarking

In the mining industry, ensuring competitive compensation is a critical business practice. The Company seeks to provide competitive total compensation packages to its executives and directors to ensure that it attracts and retains talented individuals while being aligned with market practices, yet manage its compensation within Trevali’s ability to pay.

The comparator group reflects a blend of resource companies, some smaller single mine producers and a few mid-tier producers. The 2015 comparator group included:

Comparators	Comparators
Amerigo Resources Ltd.	Copper Mountain Mining Corp.
Capstone Mining Corp.	Dundee Precious Metals Inc.
Nevada Copper Corp.	Endeavour Mining Corp.
Imperial Metals Corp.	First Majestic Silver Corp.
Denison Mines Corp.	Primero Mining Corp.
Taseko Mines Limited	Silver Standard Resources Inc.
Thompson Creek Metals Company	

As a secondary data source to determine the competitiveness and reasonableness of executive compensation, the Company continues to utilize the Mining Industry Salary Surveys conducted by Mercer (Canada) Limited and the 2015 Bedford Mining Industry Report – Board and Executive Compensation. The Company blends data from all sources and eliminates any compensation above or below one standard deviation of the average, so as not to skew market competitiveness.

Elements of Compensation

The Company's executive officer total compensation is composed of three major components: base salary, a short-term incentive bonus and long-term share based and option based incentives. The Compensation Committee annually reviews the various elements of compensation to ensure that they are aligned with the goals of the Company and each executive, as well as the Company's compensation objectives and philosophy.

Base Salary

Each NEO receives a base salary, which constitutes a significant portion of the NEO's compensation package. A preliminary base salary for each executive is established following a review of market data for similar positions using the independent compensation surveys and proxy data of the Company's comparator group of companies. The selection of companies that make up the comparable group are intended to reflect a group of companies with which the Company competes for executives and other professionals. Actual proposed base salaries for executives other than the CEO are then recommended by the CEO to the Chairman of the Board and to the Compensation Committee based upon market competitive salary levels; an assessment of an executives performance and the Company's performance during the year; the financial capacity of the Company; the scope of the executives responsibilities for the year; the executives prior experience and retention risk referencing the competitive nature of the mining industry. On the same basis, the proposed base salary of the CEO is recommended by the Chairman of the Board to the Compensation Committee who in turn recommends a final proposed base salary to the Board for approval.

In 2015, NEO base salaries were as follows:

Name	Base Salary 2015	Base Salary 2016	% Increase from 2015
Mark Cruise, CEO	\$353,000	\$353,000	0%
Annal Ladd, CFO	\$280,000	\$280,000	0%
Paul Keller, COO	\$330,000	\$330,000	0%
Steve Stakiw, VP IR/CC	\$220,000	\$220,000	0%
Daniel Marinov, VP Exploration	\$200,000	\$200,000	0%

The Compensation Committee determined that the base salaries would remain unchanged for 2016.

Short-Term Incentive Plan

The second component of the executive officers' compensation is an annual Short-Term Incentive Plan ("STIP"), typically paid in cash. All executives are eligible for annual STIP awards, after taking into account capital funding requirements, financial management and attainment of certain corporate objectives and personal objectives. STIP

awards paid at the beginning of one fiscal year are typically for performance achieved against objectives set for the previous fiscal year.

All awards, other than the CEO's, are based on the recommendation of the CEO and are at the discretion of the Compensation Committee and the Board. The CEO does not make a recommendation to the Compensation Committee and the Board with respect to his own annual STIP award. The annual STIP award for the CEO is based on the recommendation of the Compensation Committee to the Board.

The Board approved for use in 2015, STIP targets as a percentage of base salary/fees. The overall target may also be split between corporate and personal components with different weightings applied. Each component may then have one or more goals with different weighting and measures. STIP awards may range from 0% to 200% of target base salary based on achievement of corporate and personal component objectives. In 2015, the overall target was weighted 100% on corporate goals with discretion from the Compensation Committee and the CEO to adjust the STIP for personal contributions by each executive.

The STIP award targets as a percentage of base salary/fees and the split between the corporate and personal component is as follows:

Name	Target % of Base Salary/Fees	Corporate Component Split	Personal Component Split
Mark Cruise, CEO	80%	100%	0%
Anna Ladd, CFO	65%	100%	0%
Paul Keller, COO	60%	100%	0%
Steve Stakiw, VP IR/CC	40%	100%	0%
Daniel Marinov, VP Exploration	40%	100%	0%

Corporate objectives were developed by the executive management team and submitted to the Compensation Committee and the Board for modification and approval. The approved corporate objectives were then applied to all NEOs. Each NEO also developed personal component objectives that reflected strategic annual operational objectives, financial improvement of the business and effective teamwork/communication of the executive management team.

For 2015, corporate component objectives were as follows:

• Santander Production	35% weighting
• New Brunswick Commissioning	35% weighting
• Exploration Results	10% weighting
• Safety and Environmental Compliance	<u>20% weighting</u>
Total	100%

As of the date of this Circular, the Compensation Committee had not yet made recommendations to the Board with respect to any STIP awards payable to the NEO's for achievements during the year ended December 2015.

Long-Term Incentive Plan

The third component of NEO compensation is the granting of options ("**Options**") to purchase Common Shares under the Company's SOSB and/or the issuance of "bonus" Common Shares ("**Bonus Shares**") and the granting of RSUs, DSUs or PSUs under the Company's share unit plan ("**SUP**"). The Compensation Committee or the Board may grant Options, Bonus Shares, DSUs, RSUs and PSUs, or any combination thereof, on an annual basis to executive officers and service providers, including employees and consultants.

The SOSB Plan and SUP are intended to help attract and retain employees by providing them with an opportunity to participate in the future success of the Company and to reinforce commitment to long-term growth in profitability and Shareholder value. The SOSB Plan and SUP are designed to encourage share ownership and entrepreneurship on the part of the senior management and employees. The Board believes that the SOSB Plan and SUP aligns the interests of the NEOs and the Board with Shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Settlement of DSUs, RSUs and PSUs under the SUP may be made by the Company in cash, in Common Shares purchased on the secondary market, or by the issuance of Bonus Shares, as determined by the Board, under the terms and conditions of the SUP governing the terms of the DSUs, RSUs and PSUs and, if Bonus Shares are issued, under the terms and conditions of the SOSB Plan.

The Compensation Committee recommended and the Board approved for use in 2013 and thereafter, the establishment of long-term incentive plan targets as a percentage of base salary/fees.

Options granted under the SOSB Plan vest in 1/3 increments starting on the first year anniversary of grant and fully vest on the third anniversary of the date of grant. Vested Options must be exercised no later than five years after the date of grant or they will expire. Options are priced using the five day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “TSX”) on the date of grant according to plan rules. Vesting of Bonus Shares is determined at the discretion of the board however Bonus Share awards typically vest in 1/3 increments starting on the first year after grant and fully vest on the third anniversary date after grant. At each vesting date, that portion of the award is settled with Common Shares issued from treasury.

RSU awards vest 100% on the third anniversary date following grant. There is no partial vesting before that time. Upon vesting, each participant receives one Common Share purchased on the open market on the date of redemption, or is settled in cash.

The form of the incentive award (whether Options, Bonus Shares, RSUs or PSUs) for each executive and the percentage split between each long-term incentive component is at the discretion of the Compensation Committee and the Board. The longer term goal, dependent upon market conditions, is to move towards a decreased use of Options and an eventual shift to performance based awards. In monitoring or adjusting the recommended option allotments, the Board or the Compensation Committee, as the case may be, takes into account its own observations on individual performance, its assessment of individual contribution to Shareholder value, the previous option grants. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board or the Compensation Committee will make these determinations subject to and in accordance with the provisions of the SOSB Plan and in accordance with the policies of the TSX.

Other Benefits

The Company also has an appropriate benefits program in place, including medical and dental benefits and basic life insurance, which applies to all permanent employees (full and part-time) and consultants, as the Company believes that such a plan is a competitive requirement and therefore an important consideration in attracting the necessary personnel.

NEO Share Ownership Guidelines

In an effort to align the interests of the NEOs with those of the Company’s Shareholders, in December 2012, the Company adopted an executive share ownership policy.

Effective March 1, 2013, each NEO of the Company must purchase and hold at least \$10,000 worth of Common Shares within one year of appointment. In addition, the CEO must hold that number of Common Shares with a value of at least three times his or her base salary and each of the other NEOs must hold that number of Common Shares with a value of at least one times his or her base salary.

In response to market conditions during the year ended December 31, 2015 and a review of comparator groups the Compensation Committee has extended the deadline by which all NEOs must meet Common Share ownership levels to December 31, 2018.

Executive Share Ownership Requirements

The following table sets forth the number and value of the Common Shares currently held by each NEO as at December 31, 2015:

NEO Share Ownership Requirements and Actual Share Ownership at December 31, 2015

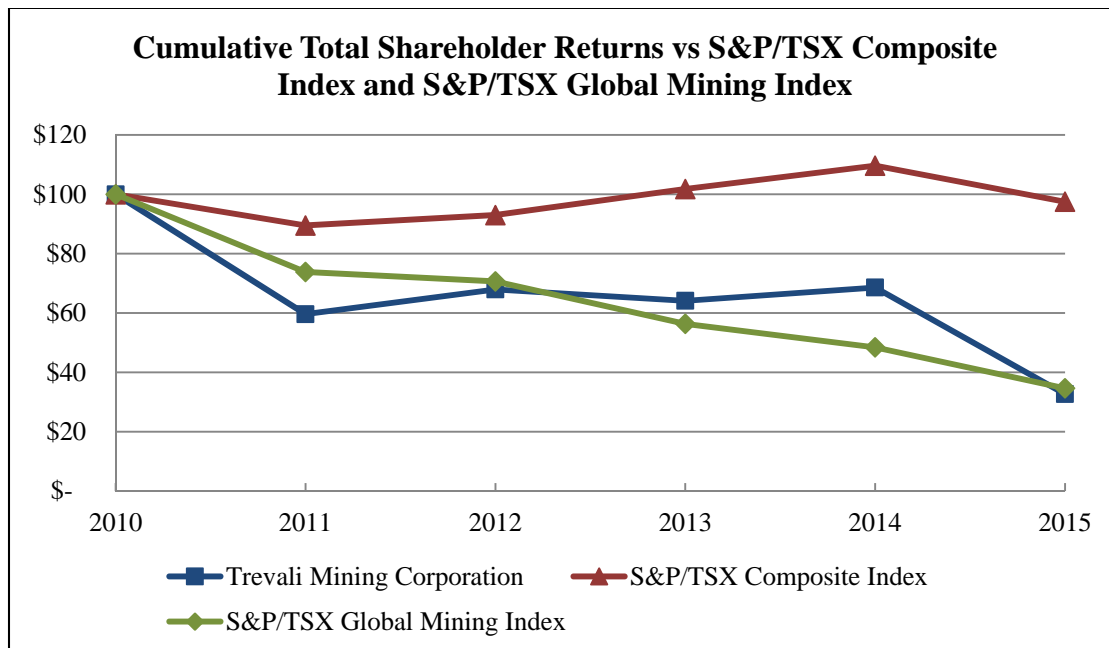
Name	Appointed	Number of Common Shares Held ⁽¹⁾	Total Market Value of Common Shares ⁽²⁾	Initial Shareholding Requirements Met
Mark Cruise, CEO	February 2008	1,142,321	\$582,584	Yes
Paul Keller, COO	May 2011	216,255	\$110,290	Yes
Anna Ladd, CFO	May 2011	186,233	\$94,979	Yes
Steve Stakiw, VP IR/CC	May 2012	264,308	\$134,797	Yes
Daniel Marinov, VP - Exploration	April 2013	113,967	\$58,123	Yes

Notes:

- (1) Held directly and indirectly.
(2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.

Performance Graph

The following chart compares the total cumulative Shareholder return on \$100 invested in Common Shares on December 31, 2010 with the cumulative total returns of the S&P/TSX Composite Index and S&P/TSX Global Mining Index for the five most recently completed financial years.



YEAR	2010	2011	2012	2013	2014	2015
Trevali Mining Corporation	\$100	\$60	\$68	\$64	\$69	\$33
S&P/TSX Composite Index	\$100	\$89	\$93	\$102	\$110	\$97
S&P/TSX Global Mining Index	\$100	\$74	\$71	\$56	\$48	\$35

The Corporation's closing prices as at December 31, or the nearest preceding trading day, from 2010 to 2015 were as follows: December 31, 2010 (\$1.58); December 31, 2011 (\$0.94); December 31, 2012 (\$1.07); December 31, 2013 (\$1.01); December 31, 2014 (\$1.07); and December 31, 2015 (\$0.51).

Over the past five years, the Company has experienced significant growth. Specifically in 2011, with the acquisition of the Halfmile and Stratmat properties located in Canada, through the acquisition of Kria Resources Ltd. In November 2012 the Company completed the acquisition of the Caribou mine and mill located in New Brunswick, through the acquisition of Maple Minerals Corporation. In 2013, the Company commissioned and commenced commercial production at its Santander zinc mine in Peru, and 2014 represented the Company's first full year of commercial production at Santander. In addition, the Company commenced commissioning at its Caribou zinc mine in 2015. The Company's compensation to the NEOs has also increased over this period to reflect the growing business and increased complexities of the executive positions; however, the percentage increase in the NEOs' compensation is not consistent with the trend of total return on investment charted for the Company in the above performance graph. The Company does not base its executive compensation on total return on investment. As mentioned previously, the Company relies exclusively on the Compensation Committee and the Board to determine executive compensation.

Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation paid or awarded to the each NEO for the Company's three most recently completed financial years:

Name	Year	Salary/ Fee	Share-based awards ⁽¹⁾ (Bonus Shares, RSUs)	Option-based awards ⁽²⁾	Non-equity incentive Plan contribution		Pension Value	All Other Compensation ⁽³⁾	Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Mark Cruise ⁽⁴⁾ CEO	2015	353,004	397,709	317,322	-	-	-	47,519	1,115,555
	2014	353,004	849,794	109,489	-	-	-	-	1,312,287
	2013	353,004	267,650	111,344	250,000	-	-	-	981,998
Anna Ladd ⁽⁵⁾ CFO	2015	280,000	202,592	169,964	-	-	-	37,692	690,247
	2014	250,000	444,264	59,505	-	-	-	-	753,769
	2013	250,000	145,440	110,813	125,000	-	-	-	631,253
Paul Keller ⁽⁶⁾ COO	2015	330,000	267,973	222,572	-	-	-	50,769	871,314
	2014	300,000	540,671	83,571	-	-	-	-	924,242
	2013	300,000	205,030	120,995	175,000	-	-	-	801,025
Steve Stakiw ⁽⁷⁾ VP IR/CC	2015	220,000	116,705	69,247	-	-	-	13,538	419,489
	2014	200,000	260,438	28,827	-	-	-	-	489,265
	2013	200,000	82,820	52,877	40,000	-	-	-	375,697
Daniel Marinov ⁽⁸⁾ VP Exploration	2015	200,000	105,369	62,950	-	-	-	14,615	382,934
	2014	180,000	142,417	25,918	-	-	-	-	348,335
	2013	135,000	82,820	48,678	-	-	-	-	266,498

Notes:

- (1) Calculated using the closing price of the Common Shares on the TSX on December 31, as follows:
2015 - \$0.51
2014 - \$1.07;
2013 - \$1.01.
- (2) Option-based awards were earned pursuant to the SOSB Plan. Fair value of stock option grants have been calculated using the Black-Scholes option pricing model, based on the following assumptions:

- for the fiscal year ended December 31, 2015 (note these option grants have a 3 year vesting period):

<i>Options Granted</i>	<i>Risk-Free Interest Rate</i>	<i>Expected Life</i>	<i>Expected Volatility</i>	<i>Expected Dividends</i>
January 31, 2015	0.61%	5 years	56%	

- for the fiscal year ended December 31, 2014 (note these option grants have a 3 year vesting period):

<i>Options Granted</i>	<i>Risk-Free Interest Rate</i>	<i>Expected Life</i>	<i>Expected Volatility</i>	<i>Expected Dividends</i>
June 24, 2014	1.58%	5 years	61%	-

- for the fiscal year ended December 31, 2013 (note these option grants have a 3 year vesting period):

<i>Options Granted</i>	<i>Risk-Free Interest Rate</i>	<i>Expected Life</i>	<i>Expected Volatility</i>	<i>Expected Dividends</i>
May 31, 2013	1.48%	5 years	80%	-
May 1, 2013	1.15%	5 years	80%	-

- (3) Vacation payout used in full remit withholding taxes on stock based compensation.
- (4) Paid to Cruise Geoservices Ltd., a private company controlled by Dr. Cruise, for management and exploration services to the Company.
- (5) Paid to Ladd Mining Incorporated, a private company controlled by Ms. Ladd, for financial and management services to the Company.
- (6) Paid to Paul Keller doing business as Keller Consulting, for management services to the Company.
- (7) Mr. Stakiw was appointed VP IR/CC of the Company on November 27, 2012.
- (8) Daniel Marinov was appointed Vice President Exploration on April 1, 2013. Fees are paid to Daniel Marinov Inc., a private company controlled by Mr. Marinov.

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the NEOs as of December 31, 2015:

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 ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Mark Cruise CEO	197,500	0.77	May 1/18	-	176,666	90,100	-
	47,500	0.62	May 31/18	-	-	-	-
	207,000	1.01	Jun 24/19	-	752,967	384,013	-
	720,410	1.03	Jan 30/20	-	329,920	168,259	-
Anna Ladd CFO ⁽³⁾	107,500	0.77	May 1/18	-	96,000	48,960	-
	150,000	0.62	May 31/18	-	-	-	-
	112,500	1.01	Jun 24/19	-	392,800	200,328	-
	385,720	1.03	Jan 30/20	-	176,650	90,092	-
Paul Keller ⁽⁴⁾ COO	60,000	2.00	Feb 1/16	-	-	-	-
	151,000	0.77	May 1/18	-	135,334	69,020	-
	125,000	0.62	May 31/18	-	-	-	-
	158,000	1.01	Jun 24/19	-	473,767	241,621	-
	505,110	1.03	Jan 30/20	-	231,320	117,973	-
Steve Stakiw ⁽⁶⁾ VP IR/CC	70,000	0.77	May 1/18	-	54,666	27,880	-
	50,000	0.62	May 31/18	-	-	-	-
	54,500	1.01	Jun 24/19	-	232,500	118,575	-
	157,150	1.03	Jan 30/20	-	71,970	36,705	-

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 ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Daniel Marinov	61,000	0.77	May 1/18	-	54,666	27,880	-
VP Exploration	33,334	0.62	May 31/18	-	-	-	-
	49,000	1.01	Jun 24/19	-	132,500	67,575	-
	142,860	1.03	Jan 30/20	-	65,430	33,369	-

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.51 for the Common Shares on the Exchange on December 31, 2015 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each NEO during the year ended December 31, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Mark Cruise CEO	29,843	91,730	-
Anna Ladd CFO ⁽³⁾	32,800	49,840	-
Paul Keller COO	34,647	70,218	-
Steve Stakiw VP IR/CC	15,377	26,619	-
Daniel Marinov VP Exploration	14,227	25,574	-

Notes:

- (1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the Exchange as of the date of vesting (being the anniversary date) and the exercise price of the options, multiplied by the number of vested options.
- (2) Represents the number of shares vested multiplied by the closing market price on the date of vesting.

*Termination and Change of Control Benefits**Dr. Mark Cruise, CEO & President*

The Company entered into a revised consulting agreement (the “**Cruise Agreement**”) dated January 1, 2013 with Cruise Geoservices Limited (“**CGL**”), a private company beneficially owned by Dr. Cruise, whereby the Company agreed to pay C\$353,000 per year for providing management and exploration services to the Company. Effective June 12, 2013, the consulting agreement was revised to reflect that any potential bonus would fall under the new STIP plan and that any termination following a change of control would now also require cause (double trigger) for any termination payment to occur. Under the Cruise Agreement, CGL is eligible to receive a cash STIP award at the end of each calendar year based on attainment of corporate and personal objectives and Board approval. In the event of the death of the Dr. Cruise, CGL is eligible to receive a pro-rated STIP assuming 100% attainment on any personal objectives and respective achievement of any corporate objectives. The services of CGL under the Cruise Agreement are provided by Dr. Cruise, who acts as CEO and President of the Company.

CGL is entitled to receive the following payments if Dr. Cruise is terminated by the Company without cause:

- (a) payment of base fee to the date of termination and any outstanding vacation pay thereto; and
- (b) 12 months' notice plus one additional month per completed year of service, to a maximum of an additional 12 months' notice ("**Working Notice**"), or
- (c) a lump sum payment to Dr. Cruise in lieu of the Working Notice, equal to the base fee and STIP that Dr. Cruise would have otherwise earned during the Working Notice period, plus an additional lump sum payment of 30% in lieu of lost benefits, the total lump sum payment being the "**Termination Payment**"; or
- (d) the Company, in its sole and absolute discretion, may provide Dr. Cruise with a combination of part Working Notice and part termination payment (the "**Combined Option**").

Assuming that the event of termination without cause took place on December 31, 2015, the following are estimates of the lump sum amounts payable by the Company to CGL in such circumstances:

Payment Type	Amount
Lump sum payment of base consultancy fee ⁽¹⁾	\$353,000
One additional month salary per completed year of service ⁽²⁾	\$235,333
Benefits (30% of total lump sum base fee in lieu of benefits)	\$176,500
Total Compensation⁽¹⁾	\$764,833

Notes:

- (1) The total amount will vary depending on the termination date.
- (2) Based on eight completed years of service as of December 31, 2015.

For a period of 18 months from a change of control, CGL is eligible for severance payments in the event of either an involuntary termination or a termination for Good Reason (as defined in the Cruise Agreement).

In the case of Good Reason, CGL may elect to terminate the Cruise Agreement and its engagement with the Company by providing written notice to the Company of its intention to immediately terminate the Cruise Agreement as a result of Good Reason. In the event of termination for Good Reason following a change in control, CGL would be entitled to a lump sum payment equal to three times the sum of: (a) the then annual base fees; (b) the average annual bonus received by Dr. Cruise from the Company during the most recent three years prior to such termination; and (c) immediate vesting of any outstanding and unvested Options and non-performance based awards under the SUP, plus an additional 30% of annual base fee for lost benefits. Any performance-based awards under the SUP do not fully accelerate if the performance goals have not been met. Acceleration of any performance-based awards under the SUP whose performance goals have been met are proportionate to the date of the change of control calculated using actual performance at that time vs. proportionate measure to the date of the change of control and included in the above lump sum payment.

Assuming that the event of termination took place on December 31, 2015 for Good Reason following a change of control, the following are estimates of the amounts payable by the Company to CGL in such circumstances:

Payment Type	Amount
Lump sum payment of 3x base consultancy fee ⁽¹⁾	\$1,059,000
Average STIP Award (Bonus) ⁽²⁾	\$159,817
Vesting of Outstanding Options, Bonus Shares and RSUs ⁽³⁾	\$1,180,646
Benefits (30% of base consultancy fee in lieu of benefits)	\$317,700
Total Compensation⁽¹⁾	\$2,717,163

Notes:

- (1) The total amount will vary depending on the termination date;
- (2) Average of annual bonus received in the most recent three years prior to December 31, 2015;
- (3) Options value calculated using the Black-Scholes option pricing model, based on the following assumptions:

<i>Options Granted</i>	<i>Risk-Free Interest Rate</i>	<i>Expected Life</i>	<i>Expected Volatility</i>	<i>Expected Dividends</i>
January 30, 2015	0.61%	5 years	56%	-
June 24, 2014	1.58%	5 years	61%	-
May 31, 2013	1.48%	5 years	80%	-
May 1, 2013	1.15%	5 years	80%	-

Unvested Bonus Share and RSU awards calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.

Other Named Executive Officers

Effective July 1, 2011, as amended January 1, 2015, the Company entered into consulting agreements with Ladd Mining Incorporated (for the services of Ms. Anna Ladd in her capacity as CFO of the Company) (“**Ladd**”) pursuant to which an annual fee of \$280,000 plus benefits will be paid.

Effective July 1, 2011, as amended January 1, 2015, the Company entered into a consulting agreement with Keller Consulting (for the services of Mr. Paul Keller in his initial capacity as Vice President Operations and then Chief Operating Officer of the Company) (“**Keller**”) pursuant to which an annual fee of \$330,000 plus benefits will be paid.

Effective November 27, 2012, as amended January 1, 2015, the Company entered into a consulting agreement with Steve Stakiw (“**Stakiw**”) for his services in his capacity as Vice President IR/Corporate Communications pursuant to which an annual fee of \$220,000 plus benefits will be paid.

Effective April 1, 2013, the Company entered into a consulting agreement with Daniel Marinov Ltd. (“**Marinov**”) for his services in his capacity as Vice President Exploration pursuant to which an annual fee of \$200,000 plus benefits will be paid.

Effective June 12, 2013 the consulting agreements with each of Ladd, Keller, Stakiw and Marinov (the “**Executives**” and each, an “**Executive**”) were revised to include provisions similar to the Cruise Agreement relating to STIP and termination for Good Reason. Under the agreements, each the Executives is eligible to receive a STIP payment at the end of each calendar year based on attainment of corporate and personal objectives, subject to Board approval. In addition, each Executive is entitled to receive the following benefits if the respective executive officer is terminated without cause:

- (a) payment of base fee to the date of termination and any outstanding vacation pay thereto; and
- (b) 12 months’ notice plus one additional month per completed year of service, to a maximum of an additional 12 months’ notice (“**Executive Working Notice**”); or
- (c) a lump sum payment to the Executive in lieu of the Executive Working Notice, equal to the base fee and STIP that the Executive would have otherwise earned during the Executive Working Notice period, plus an additional lump sum payment of 30% in lieu of lost benefits, the total lump sum payment being the “Termination Payment”; or
- (d) the Company, in its sole and absolute discretion, may provide the Executive with a combination of part Working Notice and part Termination Payment (the “**Combined Option**”).

Assuming that the event of termination took place on December 31, 2015 without cause, the following are estimates of the lump sum amounts payable by the Company to each of the Executives in such circumstances:

Payment Type	Ladd Amount⁽²⁾	Keller Amount⁽²⁾	Stakiw Amount⁽³⁾	Marinov Amount⁽⁴⁾
Lump sum payment of base consultancy fee ⁽¹⁾	\$280,000	\$330,000	\$220,000	\$200,000
One additional month salary per completed year of service to a maximum of 12 months	\$93,333	\$110,000	\$110,000	\$33,333
Benefits (30% of base fee in lieu of benefits)	\$112,000	\$132,000	\$99,000	\$70,000
Total Compensation⁽¹⁾	\$485,333	\$572,000	\$429,000	\$303,333

Notes:

- (1) The total amount will vary depending on the termination date.
- (2) Based on four years of service as of December 31, 2015.
- (3) Based on six years of service as of December 31, 2015.
- (4) Based on two years of service as of December 31, 2015.

For a period of 18 months from a change of control, the Executives are eligible for severance payments in the event of either an involuntary termination or a termination for Good Reason (as defined in the consulting agreement with each Executive).

In the case of Good Reason, each Executive may elect to terminate their respective agreement and its engagement with the Company by providing written notice to the Company of its intention to immediately terminate their Agreement as a result of Good Reason. In the event of termination for good reason following a change in control, each Executive would be entitled to a lump sum payment equal to two times the sum of: (a) the then annual base fees; and (b) the average annual bonus received by each respective Executive from the Company during the most recent three years prior to such termination; and (c) immediate vesting of any outstanding, unvested Stock Options and non-performance based awards under the SUP, plus an additional 30% of annual base fee for lost benefits. Any performance-based awards under the SUP do not fully accelerate if the performance goals have not been met. Acceleration of any performance-based awards under the SUP whose performance goals have been met are proportionate to the date of the change of control calculated using actual performance at that time vs. proportionate measure to the date of the change of control and included in the above lump sum payment.

Each Executive has the right for a period of nine months following a change of control to elect to terminate the respective consulting agreement. In such event, the Company is obligated to pay the Executive a lump sum payment equal to two times the annual fee plus an additional 30% for lost benefits.

Assuming that the event of termination took place on December 31, 2015, for Good Reason following a change of control, the following are estimates of the amounts payable to the Executives in such circumstances:

Payment Type	Ladd Amount	Keller Amount	Stakiw Amount	Marinov Amount
Lump sum payment 2x base consultancy fee ⁽¹⁾	\$560,000	\$660,000	\$440,000	\$400,000
Average STIP Award (Bonus) ⁽²⁾	\$118,750	\$162,500	\$60,000	\$38,250
Vesting of Outstanding Options, Bonus Shares and RSUs ⁽³⁾	\$679,661	\$951,153	\$334,109	\$259,629
Benefits (30% of base consultancy fee in lieu of benefits)	\$168,000	\$198,000	\$132,000	\$120,000
Total Compensation ⁽¹⁾	\$1,526,411	\$1,971,653	\$966,109	\$817,879

Notes:

- (1) The total amount will vary depending on the termination date.
- (2) Average of annual bonus received in the most recent three (3) years prior to December 31, 2015 for Mark Cruise, Anna Ladd, Paul Keller and Steve Stakiw and the most recent two (2) years for Daniel Marinov.
- (3) Options value calculated using the Black-Scholes option pricing model, based on the following assumptions:

<i>Options Granted</i>	<i>Risk-Free Interest Rate</i>	<i>Expected Life</i>	<i>Expected Volatility</i>	<i>Expected Dividends</i>
January 30, 2015	0.61%	5 years	56%	-
June 24, 2014	1.58%	5 years	61%	-
May 31, 2013	1.48%	5 years	80%	-
May 1, 2013	1.15%	5 years	80%	-

Unvested Bonus Share and RSU awards calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.

DIRECTORS' COMPENSATION

The Company recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. The Compensation Committee is responsible for making recommendations as to director compensation for the Board's consideration and ultimate approval.

The Company uses the same comparator companies to determine the competitiveness and composition of their director compensation as they do for their executive compensation. The Company sets compensation based on the average (P50) compensation paid within the comparator group, factoring out data that lies outside of one standard deviation. The Company also reviews continuing market trends from an analysis of comparator proxy information and data obtained from the Canadian Spencer Stuart Board Index ("CSSBI").

The Compensation Committee recommended in 2014 and the Board agreed to allow directors to voluntarily elect to take any or all of their cash compensation (annual cash retainer and any additional Chair retainer) in the form of DSUs. This election is offered on an annual basis. For 2015, Mr. Peter Meredith elected to take to take 100% of his annual cash retainer and per meeting fees in equivalent DSUs and Ms. Catherine Gignac elected to take 50% of her annual cash retainer in equivalent DSUs.

Director compensation includes:

- an annual cash director retainer;
- an additional annual cash retainer for serving as the Chairman of the Board or as the Chairman of a committee;
- attendance fees for each meeting attended in person or by conference call;
- an equity value paid by way of Options, Bonus Shares, DSUs, or a combination thereof; and
- in addition, the Company reimburses directors for their out-of-pocket costs incurred in attending Board or Board committee meetings.

Position	Annual Cash Retainer	Additional Chair Retainer	Per Meeting Fee	Annual Targeted Equity Value	Total
Director	\$45,000	n/a	\$1,200	\$60,000	\$106,200
Board Chair	\$45,000	\$36,000	\$1,200	\$60,000	\$142,200
Audit Chair	\$45,000	\$15,000	\$1,200	\$60,000	\$121,200
Compensation Chair	\$45,000	\$10,000	\$1,200	\$60,000	\$116,200
Nominating and Governance Chair	\$45,000	\$0	\$1,200	\$60,000	\$116,200
Sustainability Chair	\$45,000	\$10,000	\$1,200	\$60,000	\$116,200

The Compensation Committee determined that the directors fees would remain unchanged for 2016.

Committee Membership

The following table set forth the current committee members, all of whom are non-executive directors:

Committee Members	Audit Committee	Compensation Committee	Sustainability Committee	Nominating and Governance Committee
Anton Drescher	Chair	Member	-	-
Michael Hoffman	-	Chair	Chair	-
Catherine Gignac	Member	-	Member	Member
Christopher Eskdale ⁽¹⁾	-	-	-	-
Valentin Paniagua	-	-	-	Member
David Huberman	-	Member	Member	Chair
Peter Meredith	Member	-	-	-

Notes:

- (1) Mr. Eskdale is the director nominee appointed for Glencore International AG (“**Glencore**”) and, as such, does not sit on any committees and does receive any compensation as a director for the Company.

Fees Paid

The following table provides a breakdown of the fees paid to all non-executive directors for the year ended December 31, 2015. Fees are paid monthly.

Name	Retainer Fee (\$)	Chair Fee (\$)	Per Meeting Fees (\$)	Out of Pocket Expenses Reimbursed (\$)	Total Fees Paid (\$)
Anton Drescher	45,000	15,000	4,800	2,336	\$67,136
Michael Hoffman	45,000	20,000	4,800	4,149	\$73,949
Catherine Gignac	45,000	-	4,800	2,960	\$52,760
Christopher Eskdale	-	-	-	-	\$0
Valentin Paniagua	45,000	-	1,200	-	\$46,200
David Huberman	45,000	36,000	4,800	545	\$86,345
Peter Meredith	45,000	-	3,600	65	\$48,665

Equity Based Compensation

A component of the director's compensation is the granting of Options, and/or the issuance of Bonus Shares pursuant to the terms of the Company's SOSB Plan and the granting of DSUs under the SUP. The Compensation Committee or the Board may grant Options, Bonus Shares, and DSUs, or any combination thereof, on an annual basis to directors. Each director is also entitled to participate in any security-based compensation arrangement or other plan adopted by the Company from time to time with the approval of the Board.

The use of Bonus Shares and DSUs moves the Company towards its goal of decreasing the use of Options for non-executive directors and promotes greater alignment between directors and Shareholders. The form of the incentive award (whether Options, Bonus Shares, PSUs or RSUs) for each executive and the percentage split between each long-term incentive component is at the discretion of the Compensation Committee and the Board.

Currently, Options granted under the SOSB Plan vest in 1/3 increments starting one year after the date of the grant and must be exercised no later than five years after the date of grant. DSUs vest for non-U.S. directors on the first anniversary date following grant and are settled when the non-executive director ceases to hold office. DSUs for non-executive directors that are U.S. citizens, residents or green card holders vest, and are settled, on the date of their retirement or death. When settled or redeemed, each DSU pays the holder the then current cash equivalent of the market price per share on date of settlement.

During the year ended December 31, 2015, the Company granted Options to purchase 0 Common Shares, 0 Bonus Shares and 398,760 DSUs to non-executive directors as follows:

Name	Options	Bonus Shares	DSUs ⁽¹⁾
Anton Drescher	-	-	56,080
Michael Hoffman	-	-	56,080
Catherine Gignac	-	-	56,080
Christopher Eskdale ⁽²⁾	-	-	-
Valentin Paniagua	-	-	56,080
David Huberman	-	-	56,080
Peter Meredith	-	-	56,080

Notes:

- (1) DSUs vest for non-U.S. directors on the first anniversary date following grant and are settled when the non-executive director ceases to hold office. DSUs for non-executive directors that are U.S. citizens, residents or green card holders vest, and are settled, on the date of their retirement or death.
- (2) Mr. Eskdale is the director nominee appointed for Glencore and, as such, does not receive any compensation as a director of the Company.

NEOs who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such NEOs in their capacity as executive officers.

The following table discloses the particulars of the compensation provided to the non-executive directors of the Company for the financial year ended December 31, 2015:

**Non-Executive Director Compensation
During the Year Ended December 31, 2015**

Name	Fees Earned	Share-based awards ⁽¹⁾	Option-based awards	Non-equity Incentive Plan Compensation	Pension Value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Anton Drescher	64,800	28,601	-	-	-	-	93,401
Michael Hoffman	69,800	28,601	-	-	-	-	98,401
Catherine Gignac	49,800	28,601	-	-	-	-	78,401
Christopher Eskdale	-	-	-	-	-	-	-
Valentin Paniagua	46,200	28,601	-	-	-	-	74,801
David Huberman	85,800	28,601	-	-	-	-	114,401
Peter Meredith	48,600	28,601	-	-	-	-	77,201

Notes:

(1) Calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.

Director Share Ownership Guidelines

In an effort to align the interests of members of the Board with those of the Company's Shareholders, in March 2013 the Company adopted a director share ownership policy.

Effective March 1, 2013, each non-executive director of the Company must purchase and hold at least \$10,000 worth of Common Shares within one year of appointment and within five years are to purchase and hold Common Shares representing at least three times the amount of the annual cash retainer payable to each non-executive director of the Company. These requirements must be maintained throughout their tenure as a director.

The Nominating and Governance Committee will periodically review and make recommendations to the Board as to what level of director shareholding requirement is appropriate for the Company. The calculations are made as at December 31 of each year.

As 2013 was the first year that the director share ownership policy was adopted, all current non-executive directors had until March 1, 2014 to meet their minimum \$10,000 worth of Common Shares ownership requirements and will have until March 1, 2018 to purchase and hold Common Shares representing at least three times the amount of their annual cash retainer.

Director Share Ownership Requirements

The following table sets forth the number and value of the Common Shares currently held by each non-executive director of the Company as at December 31, 2015:

**Director Share Ownership Requirements and
Actual Share Ownership at December 31, 2015**

Name	Director Since	Number of Common Shares Held ⁽¹⁾ (#)	Total Market Value of Common Shares ⁽²⁾ (\$)	Initial Shareholding Requirements Met (\$10,000 min)
Anton Drescher	May 2007	198,857	101,417	Yes
Michael Hoffman	April 2011	465,812	237,564	Yes
Catherine Gignac	March 2012	138,634	70,703	Yes
Christopher Eskdale	March 2012	-	-	n/a
Valentin Paniagua	September-2012	345,464	176,187	Yes
David Huberman	September-2012	213,634	108,953	Yes
Peter Meredith	May 2013	84,500	43,095	Yes

Notes:

- (1) Held directly and indirectly.
 (2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2015 of \$0.51.
 (3) Mr. Eskdale is the director nominee appointed for Glencore and, as such, does not hold any Common Shares.

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

The following table sets forth all awards outstanding for each of the non-executive directors of the Company as of December 31, 2015:

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 ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Anton Drescher	20,500	0.77	May 1/18	-	18,666	9,520	-
	12,500	0.62	May 31/18	-	-	-	-
	21,500	1.01	Jun 24/19	-	34,300	17,493	-
	-	1.03	Jan 30/20	-	56,080	28,601	-
Michael Hoffman	20,500	0.77	May 1/18	-	18,666	9,520	-
	12,500	0.62	May 31/18	-	-	-	-
	-	1.03	Jan 30/20	-	56,080	28,601	-
Catherine Gignac	20,500	0.77	May 1/18	-	18,666	9,520	-
	21,500	1.01	Jun 24/19	-	34,300	17,493	-
	-	1.03	Jan 30/20	-	56,080	28,601	-
Christopher Eskdale	-	-	-	-	-	-	-
Valentin Paniagua	20,500	0.77	May 1/18	-	18,666	9,520	-
	21,500	1.01	Jun 24/19	-	34,300	17,493	-
	-	1.03	Jan 30/20	-	56,080	28,601	-
David Huberman	20,500	0.77	May 1/18	-	18,666	9,520	-
	21,500	1.01	Jun 24/19	-	34,300	17,493	-
	-	1.03	Jan 30/20	-	56,080	28,601	-
Peter Meredith	218,800	0.62	May 31/18	-	20,800	10,608	-
	21,500	1.01	Jun 24/19	-	34,300	17,493	-
	-	1.03	Jan 30/20	-	56,080	28,601	-

Note:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.51 for the Common Shares on the Exchange on December 31, 2015 and the exercise price of the options, multiplied by the number of unexercised options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned by each non-executive director of the Company during the year ended December 31, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Anton Drescher	4,107	34,054	-
Michael Hoffman	4,107	34,054	-
Catherine Gignac	2,440	34,054	-
Christopher Eskdale	-	-	-
Valentin Paniagua	2,440	34,054	-
David Huberman	2,440	34,054	-
Peter Meredith ⁽³⁾	28,743	33,804	-

Notes:

- (1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the Exchange as of the date of vesting and the exercise price of the options, multiplied by the number of vested options.
- (2) Represents the number of shares vested multiplied by the closing market price on the date of vesting.
- (3) Mr. Eskdale is the director nominee appointed for Glencore and, as such, does not receive any option-based/share-based awards as a director of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the SOSB Plan as at December 31, 2015:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options #	Weighted-average exercise price of outstanding options \$	Number of Common Shares remaining available for future issuance under equity compensation plans ⁽¹⁾ #
Equity compensation plans approved by security holders	6,350,876	\$1.03	26,408,432
Equity compensation plans not approved by security holders	-	-	-
Total	6,350,876	\$1.03	26,408,432

Note:

- (1) Based on the total number of shares authorized for issuance under the Company’s SOSB Plan, less the number of Options outstanding as at December 31, 2015.

Stock Option and Stock Bonus Plan

The Stock Option and Stock Bonus Plan (the “**SOSB Plan**”) was established by the Board on September 15, 2010, and was amended and restated on June 23, 2011 and June 25, 2012. In addition, certain housekeeping amendments were made to the SOSB Plan and approved by Shareholders of the Company on June 24, 2014.

The purpose of the SOSB Plan is to give the Board the ability to (i) provide the Company’s directors, officers and service providers the opportunity to participate in the progress of the Company by granting to such individuals options (“**Options**”) to purchase Common Shares; and (ii) provide additional compensation by issuing to such individuals Bonus Shares.

The purpose of granting such Options and/or Bonus Shares is to assist the Company in attracting, retaining and motivating executive officers, directors and service providers and to align the personal interests of such executive officers, directors and service providers to those of the Company’s Shareholders. The SOSB Plan is intended to be competitive with the benefit programs of other companies in the mining industry, and has been prepared in accordance with the rules and policies of the TSX.

Pursuant to the SOSB Plan, the maximum number of Common Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the SOSB Plan together with all of the Company's other previously established or proposed share compensation arrangements, in aggregate, will not at any time exceed 10% of the total number of issued and outstanding Common Shares as of the date of grant on a non-diluted basis.

During the year ended December 31, 2015, Options to purchase 3,222,000 Common Shares were granted under the SOSB Plan, representing 8.5% of the issued and outstanding Common Shares.

As at April 18, 2016, a total of 6,280,876 Common Shares were issuable under the SOSB Plan, representing 1.6% of the issued and outstanding Common Shares.

Bonus Shares

Pursuant to the SOSB Plan, the Compensation Committee can also issue up to an aggregate of 2,000,000 Bonus Shares per annum to those directors, officers and service providers of the Company who the Compensation Committee, in its sole discretion, deems to have provided extraordinary contributions to the advancement of the Company. At the Meeting, the Company will be seeking Shareholder approval to increase the number of Bonus Shares issuable under the SOSB Plan to 15,000,000. See "Particulars of Matters to be acted upon - Approval of Amended SOSB Plan and Unallocated Options" in this Circular.

Stock Appreciation Rights

Pursuant to the SOSB Bonus Plan, the Compensation Committee may, from time to time, grant stock appreciation rights ("SARs") to any Optionee in conjunction with any grant of Options. An Optionee may only exercise a SAR at the same time, and to the same extent, that the Option related thereto is exercisable. On the exercise of a SAR, the Optionee shall be entitled to receive such number of Common Shares as is equal to the excess, if any, of (i) the weighted average trading price of the Common Shares entitled to be acquired upon exercise of such Option as of the date of exercise of the Option, over (ii) the exercise price of such Option. The provisions in the SOSB Plan applicable to Options apply equally to SARs. No SAR may be exercised beyond the stated expiry date of the corresponding Option, and SARs terminate on the termination of the corresponding Option.

As at April 18, 2016, the Company has not granted any SARs under the SOSB Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2015 was, a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate of any such director, executive officer or proposed nominee, was indebted to the Company or any of its subsidiaries during the financial year ended December 31, 2015 or as at the date of this Circular in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

The Board and the Company's management are committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company is required to disclose its corporate governance practices. A description of the Company's corporate governance practices, which addresses the matters set out in NI 58-101, is set out at Schedule "A" to this Circular. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

In early 2014, the Corporate Governance and Nominating Committee recommended and the Board approved a majority voting policy for director elections. The policy stipulates that for any uncontested elections of directors, if the votes in favour of the election of a director nominee at a Shareholders' meeting represent less than the majority of the shares voted and withheld, the nominee will submit his or her resignation promptly after the meeting, for the Corporate Governance Committee's consideration. The Corporate Governance Committee will make a recommendation to the Board after reviewing the matter and any extenuating circumstances, and the Board will act on the Corporate Governance Committee's recommendation within 90 days following certification of the Shareholder vote. The Board's decision to accept or reject the resignation offer will promptly be disclosed to the public by press release. The nominee will not participate in any Corporate Governance Committee or Board deliberations on the resignation offer. The majority voting policy does not apply in circumstances involving contested director elections.

Diversity

Pursuant to the Charter of the Corporate Governance and Nominating Committee (the "CGNC"), at least annually the CGNC performs a review and evaluation of the proportion of female and minority employees at the Company, in executive positions and on the Board and reports to the Board on the results of this review and evaluation. As at April 16, 2016, there are two women who are directors or executive officers of the Company. The diversity of the Board and the executive officers of the Company (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential directors or executive officers. At this time, the Company has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Company is of the view that its current practice of considering diversity as one of many factors in selecting candidates as potential directors or executive officers permits the Company to balance the benefit of diversity with other relevant considerations. The Company is committed to increasing Board diversity, and recognizes that the Board's background should represent a variety of backgrounds, experiences and skills. However, the Company has not adopted a written policy relating to the identification and nomination of women or minority directors. In making recommendations for the appointment or election of new Board members, the CGNC considers all aspects of diversity, including, but not limited to, gender. The CGNC also adheres to the principle of meritocracy, and considers individuals' skills, knowledge, experience and character necessary for the role.

The Company currently has one woman on the Board (Catherine Gignac). In seeking candidates for appointment, the CGNC considers individuals' gender, ethnic and geographic diversity, as well as their integrity and character, sound and independent judgement, breadth of experience, insight into and knowledge of the Company's business and industry and overall business acumen.

The Company currently has one woman holding an NEO position (Anna Ladd, Chief Financial Officer) and recognizes the value in maintaining a diverse team of executive officers to strengthen leadership and decision-making. In making executive appointments, the Company takes a similar approach to appointments to the Board; the Company considers candidates' character and professional qualifications, as well as gender, ethnicity and geographic diversity.

The Company does not adhere to any specific targets or quotas in determining Board membership. The CGNC does not believe that implementing arbitrary targets for the composition of the Board will serve the Company's best interests in obtaining the highest calibre executives. The CGNC strives to attract individuals who best meet the Company's needs at a given time point in time.

Women hold one of the eight positions on the Board (12.5%) and one of the four positions as executive officers (25%) in the Company.

AUDIT COMMITTEE

The Audit Committee is presently comprised of Anton Drescher, Catherine Gignac and Peter Meredith, each of whom is a director of the Company and is "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Chairman of the Audit Committee is Mr. Drescher. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board at its first meeting following each annual Shareholders' meeting to serve a one year term and are permitted to serve an unlimited number of consecutive terms.

The Audit Committee's assists the Board in fulfilling its oversight responsibilities as they relate to the integrity of the Company's financial statements and accounting processes, and the independent auditors' qualifications and independence. In this regard, the Audit Committee has primary responsibility for the Company's financial reporting, accounting systems and internal controls over financial reporting. The Audit Committee also assists the Board with the oversight of financial strategies and risk management.

The Audit Committee will periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of the Board, and report to the Board, the results of its review and its recommendations regarding all material matters of a financial reporting and audit nature, including, but not limited to the following main subject areas: (i) financial statements, including management's discussion and analysis thereof; (ii) financial information in any annual information form, management proxy circular, prospectus or other offering document, material change report or business acquisition report; (iii) reports to Shareholders and others; (iv) annual and interim press releases regarding financial results or containing earnings guidance; (v) internal controls; (vi) audits and reviews of financial statements of the Company; and (vii) filings to securities regulators containing financial information.

The Audit Committee will meet as many times per year as necessary to carry out its responsibilities. The Audit Committee will ensure satisfactory procedures for receipt, retention and treatment of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters. The Board will be kept informed of the Audit Committee's activities by reports delivered to the Board.

Detailed information with respect to the Company's audit committee and a copy of the charter of the Audit Committee (the "**Audit Committee Charter**") is contained in the Company's annual information form for the financial year ended December 31, 2015 filed on SEDAR at www.sedar.com.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Anton Drescher – Mr. Drescher has been a Certified Management Accountant since 1981. He is also the President of Westpoint Management Consultants Limited, a private company engaged in tax and accounting consulting for business reorganizations since 1979 and the President of Harbour Pacific Capital Corp., a private British Columbia company involved in regulatory filings for businesses in Canada since 1998.

Catherine Gignac – Ms. Gignac serves on the Audit Committee of Cameco Corporation. She has held senior positions as a mining equity research analyst for approximately 25 years with leading global brokerage firms and independent boutiques, including Northland Capital Partners from 2009 to 2011. She has extensive experience in project value and investment analysis and spent her early years as a geologist. She is a member of the Institute of Corporate Directors, the CFA Institute, the Mineral Resources Analyst Group, the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada. Ms. Gignac received a Bachelor of Science (Honours Geology) from McMaster University and received the ICD.D designation from the Institute of Corporate Directors in April 2014.

Peter Meredith – Mr. Meredith is a Chartered Professional Accountant, a member of the Canadian Institute of Chartered Accountants and the Institute of Corporate Directors. Professionally he spent 31 years with Deloitte & Touche LLP, Chartered Accountants and has extensive experience in regulatory compliance and corporate finance, with an emphasis on public resource companies. He was a Director of Turquoise Hill Resources Ltd. (previously Ivanhoe Mines Ltd.) from 2005 until 2012 and served as its Deputy Chairman from May 2006 until April 2012. He also served as Ivanhoe's Chief Financial Officer from June 1999 to November 2001 and from May 2004 to May 2006. Additionally he was CEO of SouthGobi Resources Ltd. from June 2007 until October 2009 and then served as its Chairman from October 2009 until September 2012. He has served on the Board of Directors of many companies, including but not limited to, Turquoise Hill Resources Ltd., Great Canadian Gaming Corp., China Gold International Resources Corp Ltd., SouthGobi Resources Ltd., Ivanhoe Energy Inc., Entree Gold Inc., Ivanhoe Australia Ltd., Asia Gold Corp., Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.), Jinshan Gold Mines Inc. and Peregrine Diamonds.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions contained in NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee shall approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees¹	Tax Fees²	All Other Fees³
2015	\$160,000	\$56,700	\$18,130	\$40,332
2014	\$202,000	\$56,700	\$29,000	\$23,500

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit or review of the Company's financial statements, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular or set forth below, no "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Company or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Company has participated since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the seven persons being nominated at the Meeting for election as directors. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed. The enclosed form of proxy permits Shareholders to vote for each nominee on an individual basis. Information regarding Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors. Information regarding Board and committee meeting attendance is presented for meetings held in 2015.

Pursuant to the advance notice policy adopted by the Board on May 1, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the advance notice policy no later than the close of business on April 18, 2016. If no such nominations are received by the Company prior to such date, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

UNLESS THE SHAREHOLDER SPECIFIES IN THE ENCLOSED FORM OF PROXY THAT THE COMMON SHARES REPRESENTED BY THE PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS, THE PERSON NAMED IN THE FORM OF PROXY SHALL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE ELECTION OF THE PERSONS WHOSE NAMES ARE SET FORTH BELOW. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION.

DR. MARK CRUISE		Principal Occupation During Past 5 Years and Biographical Information	
British Columbia, Canada Director Since: March 18, 2008 NOT INDEPENDENT	<p>Dr. Cruise has been President of the Company since February 25, 2008 and Chief Executive Officer since May 28, 2009. Dr. Cruise was Vice-President, Business Development of Cardero Resources Corp., a public company listed on the TSX and NYSE-Amex, from March 2007 to September 2011, and was the Vice-President, Exploration from November 2004 to March 2007.</p> <p>Dr. Cruise received a Bachelor of Geology from the University of Dublin, Trinity College and a Doctorate of Geology from the University of Dublin, Trinity College. Dr. Cruise is a professional member of the Institute of Geologists of Ireland and the European Federation of Geologists.</p>		
Current Board/Committee Membership	2015 Attendance		Other Public Board Memberships
Member of the Board	4 of 4	100%	None.
Number of Common Shares Beneficially Owned, Controlled or Directed			1,142,321

ANTON DRESCHER		Principal Occupation During Past 5 Years and Biographical Information	
British Columbia, Canada Director Since: May 23, 2007 INDEPENDENT		Mr. Drescher was President of the Company from May 23, 2007 to February 25, 2008. Mr. Drescher has also been Chief Financial Officer of Oculus Visiontech Inc., a public company listed for trading on the TSXV and the OTC Bulletin Board (since December 1994), Chief Financial Officer of Xiana Mining Inc., a public company listed on the TSXV (since March 2, 2012) and the President of Ravencrest Resources Inc., a public company listed on the CSE (since 2007). He is also the President of Westpoint Management Consultants Limited, a private company engaged in tax and accounting consulting for business reorganizations and the President of Harbour Pacific Capital Corp., a private British Columbia company involved in regulatory filings for businesses in Canada. Mr. Drescher has been a Certified Management Accountant since 1981.	
Current Board/Committee Membership	2015 Attendance		Other Public Board Memberships
Member of the Board	4 of 4	100%	Corvus Gold Inc. (TSX)
Member of the Audit Committee	4 of 4	100%	Xiana Mining Inc. (TSXV)
Member of the Compensation Committee	2 of 2	100%	International Tower Hill Mines Ltd. (TSX and NYSE-MKT)
			Oculus Visiontech Inc. (TSXV and OTC Bulletin Board)
			Ravencrest Resources Inc. (CDNX)
			River Wild Exploration Inc. (CDNX)
Number of Common Shares Beneficially Owned, Controlled or Directed			198,857

CHRIS ESKDALE		Principal Occupation During Past 5 Years and Biographical Information	
Unteraegeri, Switzerland Director Since: March 5, 2012 INDEPENDENT		<p>Mr. Eskdale joined Glencore International A.G. in January 1997 as Asset Manager. Prior to this, he was an accountant at Deloitte & Touche in London and Moscow. Mr. Eskdale is on the board of directors of a number of international mining companies, specifically: Perubar SA, a Peru-based company primarily engaged in the provision of storage services and loading of mineral concentrates (since 2003), Empresa Minera Los Quenuales SA, a Peru-based mining company engaged in the extraction and production of zinc, lead and bulk concentrates (since 2003) and Compania Minera Volcan SAA, a Peruvian listed mining company engaged in the extraction and production of zinc, lead and copper concentrates (since 2012) and the Noranda Income Fund (since 2013).</p> <p>Mr. Eskdale holds a Master of Arts (Honours) degree from the University of Oxford and qualified as a Chartered Accountant in July 1994 with the Institute of Chartered Accountants in England and Wales.</p>	
Current Board/Committee Membership		2015 Attendance	Other Public Board Memberships
Member of the Board		3 of 4	75%
Number of Common Shares Beneficially Owned, Controlled or Directed		None⁽¹⁾	

Note:

(1) Mr. Eskdale is the director nominee appointed for Glencore and does not hold, directly or indirectly, any Common Shares.

CATHERINE GIGNAC		Principal Occupation During Past 5 Years and Biographical Information	
Ontario, Canada Director Since: March 2, 2012 INDEPENDENT		<p>Ms. Gignac has been a corporate director since 2011. She has held senior positions as a mining equity research analyst for approximately 25 years with leading global brokerage firms and independent boutiques, including Northland Capital Partners from 2009 to 2011. She has extensive experience in project value and investment analysis and spent her early years as a geologist. She is a member of the Institute of Corporate Directors, the CFA Institute, the Mineral Resources Analyst Group, the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada. Ms. Gignac is a director of Cameco Corporation and a director and chairman of Corvus Gold Inc., public companies listed on the TSX. Ms. Gignac was a director of copper explorer Azul Ventures Inc. a public company listed on the TSXV from February 2012 to October 2013, and was as director of gold producer St. Andrew Goldfields, a public company listed on the TSX from October 2011 to May 2015.</p> <p>Ms. Gignac received a Bachelor of Science Degree (Honours Geology) from McMaster University and received the ICD.D designation from the Institute of Corporate Directors in April 2014.</p>	
Current Board/Committee Membership		2015 Attendance	Other Public Board Memberships
Member of the Audit Committee		4 of 4	100%
Member of the Sustainability Committee		4 of 4	100%
Member of the Nominating and Governance Committee		4 of 4	100%
Number of Common Shares Beneficially Owned, Controlled or Directed		104,667	

MICHAEL HOFFMAN		Principal Occupation During Past 5 Years and Biographical Information	
Ontario, Canada Director Since: April 6, 2011 INDEPENDENT		<p>Mr. Hoffman is a professional mining engineer with over 30 years of experience in mine operations, projects, engineering and corporate development. Mr. Hoffman is currently President of M Hoffman Consulting Ltd providing strategic and consulting services to the mining industry. He has also served in senior executive positions at Great Lakes Capital (2013-present), Belo Sun Mining (2012-2014), Crocodile Gold (from July 2009 to June 17, 2011), Crowflight Minerals Inc. (from September 2007 to July 2009), Goldcorp Inc. (from April 2003 to June 2006), Desert Sun Mining Corp. (from September 2006 to April 2007) and Yamana Gold Inc. (from April 2006 to June 2007). He also served as President and Chief Executive Officer of Kria Resources Ltd. ("Kria"), prior to Kria's plan of arrangement with the Company. He is also currently a director of Kombat Copper Inc.</p> <p>Mr. Hoffman received a Bachelor of Applied Science (Mining Engineering) from Queen's University and is a Professional Engineer.</p>	
Current Board/Committee Membership	2015 Attendance		Other Public Board Memberships
Member of the Board	4 of 4	100%	Kombat Copper Inc. (TSXV) Eastmain Resources Inc.
Member of the Compensation Committee	2 of 2	100%	
Member of the Sustainability Committee	4 of 4	100%	
Number of Common Shares Beneficially Owned, Controlled or Directed			202,999

DAVID HUBERMAN		Principal Occupation During Past 5 Years and Biographical Information	
British Columbia, Canada Director Since: September 27, 2012 INDEPENDENT		<p>Mr. Huberman is currently President of Coda Consulting Corp., a business consulting firm, and practised business law from 1972 until 1996 as a senior partner of a Canadian business law firm, specializing in corporate, commercial, banking, securities, regulatory and mining law. He also served as a director of Ivanhoe Mines Ltd. (recently renamed Turquoise Hill Resources) from 2003 to 2012 and as its Chairman from 2011 to 2012. From 1997 to 1999, Mr. Huberman served as Executive Vice-President and General Counsel of Lions Gate Entertainment Corp. Mr. Huberman was appointed Chairman of Board of the Company on February 17, 2013.</p> <p>Mr. Huberman holds a Bachelor of Arts degree and a Bachelor of Laws degree from University of British Columbia, and a Master of Laws from Harvard University.</p>	

Current Board/Committee Membership	2015 Attendance		Other Public Board Memberships
Member of the Board (Chairman)	4 of 4	100%	Kaizen Discovery Inc. (TSXV)
Member of the Nominating and Governance Committee	n/a	n/a	
Member of the Compensation Committee	2 of 2	100%	
Member of the Sustainability Committee	4 of 4	50%	
Number of Common Shares Beneficially Owned, Controlled or Directed			204,667

DAVID KORBIN		Principal Occupation During Past 5 Years and Biographical Information	
British Columbia, Canada Nominee Director INDEPENDENT		David Korbin is a qualified Chartered Accountant presently acting as a management and financial consultant. He is a former Director of Callinan Royalties Corporation (December 2011 to December 2013), Turquoise Hill Resources Ltd. (formerly Ivanhoe Mines) (May 2006 to April 2012), and Ivanhoe Mines Australia (May 2006 to April 2012). Mr. Korbin is also a former Director of E-Comm Emergency Communications (“ E-Comm ”) for Southwest British Columbia and was the Chairman of E-Comm's Board of Directors since 2004 and was formerly Chairman of the audit committee from 2002 to 2003. Mr. Korbin qualified as a Chartered Accountant in 1966, and from 1990 to 1992 he was a managing partner of Deloitte Touche LLC. Mr. Korbin also was a Director of Seaspans Corporation (NYSE - SSW), and Chairman of Seaspans's Audit Committee.	
Current Board/Committee Membership	2015 Attendance		Other Public Board Memberships
N/A (Nominee Director)	N/A	N/A	None.
Number of Common Shares Beneficially Owned, Controlled or Directed			30,000

Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

The following information, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers.

Other than as set forth below, no proposed director:

- (a) is, as at the date of this Circular, or has been within the last ten years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or

compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;

- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

On March 10, 2010, the TSX Venture Exchange (“TSXV”) rendered a decision with respect to a review concerning certain unauthorized loans by Xiana Mining Inc. (formerly “Dorato Resources Inc.”) to the Company. As part of its decision, the TSXV required Mr. Drescher (who was a director of Xiana at the relevant time) to seek prior written approval from the TSXV should he propose to be involved with any other TSXV listed issuer as a director and/or officer. On May 14, 2010, the TSX, upon review of the TSXV’s decision, required Mr. Drescher to seek approval from the TSX should he propose to be involved with any other TSX listed issuers as a director and/or officer. In addition, the TSX required Mr. Drescher to inform the TSX of any future actions commenced against him by any regulatory entity. Subsequently, Mr. Drescher applied to the TSX for reconsideration of the abovementioned restrictions and, on May 1, 2013, the TSX agreed to remove all such restrictions.

2. Appointment of Auditor

Management proposes to nominate PricewaterhouseCoopers LLP, Chartered Professional Accountants, which firm has been auditor of the Company since March 2012 as auditor of the Company to hold office until the next annual meeting of Shareholders.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE COMPANY AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. Approval of Amended Stock Option and Stock Bonus Plan and Unallocated Options

The SOSB Plan as defined previously was established by the Board on September 15, 2010. The Company commenced trading on the TSX on October 7, 2010, at which time the SOSB was “adopted” by the Company according to the policies of the TSX. Shareholders approved amendments to the SOSB Plan on June 23, 2011, June 25, 2012 and June 24, 2014. The Company also adopted a Share Unit Plan (“SUP”) on May 1, 2013.

Pursuant to the current SOSB Plan, the Compensation Committee may issue up to an aggregate of 2,000,000 Bonus Shares per annum to those directors, officers and service providers of the Company who the Compensation Committee, in its sole discretion, deems to have provided extraordinary contributions to the advancement of the Company.

During the year ended December 31, 2015, the Company issued a total of 3,038,588 Bonus Shares, which was greater than the 2,000,000 maximum allowable under the current SOSB Plan, in error. This error was made in December of 2015 when a single Bonus Share allocation was made to a service provider who is an arm’s length party to the Company. Regrettably, at the time, the Company failed to realize that such Bonus Share allocation should have been deferred to January of 2016 in order to remain within the stated maximum number of Bonus Shares allowable under the SOSB Plan. In order to avoid this error in the future, and in order to provide the Compensation Committee with greater flexibility under the SOSB Plan, on April 14, 2016, the Board adopted an amended SOSB Plan, which would increase the number of Common Shares that may be reserved for issuance as Bonus Shares on an annual basis from 2,000,000 to 15,000,000. However, the maximum number of Common Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, in aggregate, remains unchanged under the amended SOSB Plan and is equal to, and cannot exceed at any time, 10% of the total number of the issued and outstanding Common

Shares as of on a non-diluted basis. Further, this 10% threshold under the Plan was not exceeded during the year ended December 31, 2015, despite the Company issuing a total of 3,038,588 Bonus Shares.

Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the amended SOSB Plan. Management believes the ability of the Company to hire and retain key personnel could be significantly diminished if the Company is unable to grant additional Bonus Shares.

Additionally, pursuant to the policies of the TSX, unallocated options, rights or other entitlements under security based compensation arrangements which do not have a fixed maximum number of securities issuable must be approved by a majority of the issuer's directors and by the issuer's shareholders every three years. Though the Board acknowledges that the unallocated options, rights and other entitlements under the SOSB Plan were approved by Shareholders on June 24, 2014, and therefore do not require re-approval until June 24, 2017, as the Meeting constitutes an annual and special meeting of the Shareholders, for reasons of efficacy, the Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the grant of unallocated Options under the amended SOSB Plan. If the grant of all unallocated Options under the amended SOSB Plan is approved by Shareholders at the Meeting, all currently outstanding Options will be governed by the terms of the amended SOSB Plan. If the resolution is not approved by Shareholders at the Meeting, subsequent to the Meeting, the Company will not be entitled to grant additional Options or other entitlements and exercised, expired or terminated Options or other entitlements will not be available for re-grant.

The main provisions of the amended SOSB Plan are summarized below, which, apart from the increase in the number of Bonus Shares issuable annually pursuant thereto, remain substantially similar to the plan approved by Shareholders on June 24, 2014. A blackline of the amended SOSB Plan, showing the change to the number of Bonus Shares issuable annually is attached to this Circular as Schedule "C".

As of the date hereof, 383,097,999 Common Shares are issued and outstanding. As a result, Options to purchase 38,309,799 Common Shares are issuable under the SOSB Plan, of which Options to purchase up to 6,280,876 Common Shares (approximately 1.64% of the outstanding Common Shares) are outstanding, leaving Options to purchase up to 32,028,923 Common Shares (approximately 8.36% of the outstanding Common Shares) available for future grants. There were no amendments to the terms of any previously granted Options during the financial year ended December 31, 2015.

Summary of the Amended Stock Option and Stock Bonus Plan

Pursuant to the SOSB Plan, the maximum number of Common Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the SOSB Plan together with all of the Company's other previously established or proposed share compensation arrangements, in aggregate, will not any time exceed 10% of the total number of issued and outstanding Common Shares as of the date of grant on a non-diluted basis.

Option Grants and Terms of Options

The exercise price for each Option cannot be not less than the 5 day weighted average trading price of the Common Shares on the TSX prior to the date of grant and the expiry date for each Option cannot be more than 10 years from the date of grant. All Options are non-assignable and non-transferable, and subject to such vesting provisions as the Compensation Committee or Board may determine in its sole discretion. Except where not permitted by the TSX, where an Option expires during a black-out period, or within ten business days following the end of a black-out period, the term of such Options will be extended to the end of day that is ten business days following the end of the applicable black out period.

Where an option holder (the "**Optionee**") ceases to be a director, officer or service provider of the Company, each Option held by the Optionee will be exercisable in respect of that number of option shares that have vested pursuant to the terms of the option agreement governing such Option at any time up to but not after the earlier of (i) the expiry date of the Option, and (ii) the date which is 90 days after the Optionee ceases to be a director, officer or service provider.

If an Optionee is terminated by the Company (other than for Cause as described below), the Optionee shall be eligible to exercise that number of option shares that have vested pursuant to the terms of the option agreement governing such Option as at the date of such termination (and for Options that have not fully vested at the date of termination, such

number of unvested Options pro-rated to the date of termination) at any time but not after the earlier of (i) the expiry date of the Option, and (ii) the date which is 90 days after the date of termination.

If the Optionee ceases to be a director, officer or service provider of the Company due to death or disability or, in the case of an Optionee that is a company, the death or disability of a person who provides management or consulting services to the Company or to any entity controlled by the Company, each Option held by the Optionee shall be deemed to have vested immediately and such Options shall be exercisable by the Optionee's legal representatives at any time up to the earlier of (i) the expiry date of that Option, and (ii) the date which is nine months after the date of death or disability.

Where an Optionee, or in the case of an Option granted to an Optionee who is a service provider, the Optionee's employer, (i) ceases to be employed or engaged by the Company for cause ("**Cause**"), or by order of any securities commission, recognized stock exchange or any regulatory body having jurisdiction, (ii) ceases to provide investor relations services if the Optionee's primary function with the Company was the provision of such services, or (iii) ceases to be eligible to hold office as a director of the Company under the provisions of the applicable corporate statute, each Option held by the applicable Optionee shall be exercisable in respect of that number of option shares that have vested pursuant to the terms of the option agreement governing such Option at any time up to but not after the earlier of (x) the expiry date of that Option, and (y) the date that is 30 days following the date of termination for Cause.

Where an Optionee ceases to be a director, officer or service provider of the Company and any of its subsidiaries due to retirement, each Option held by the Optionee shall continue to vest post-retirement (as if retirement had not occurred) and such Option shall be exercisable in respect of that number of option shares that have vested pursuant to the terms of the option agreement governing such Option at any time up to the expiry date of that Option.

The maximum number of Common Shares which may be reserved for issuance to all Insiders of the Company (as such term is defined in the SOSB) under the SOSB Plan, together with all of the Company's other previously established or proposed share compensation arrangements, is limited to not more than 10% of the issued and outstanding Common Shares at the time of grant. In addition the maximum number of Common Shares which may be issued to Insiders under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, in any 12-month period may not exceed 10% of the issued and outstanding Common Shares at the time of grant.

In addition to the foregoing, the maximum number of Common Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the SOSB Plan to directors of the Company who are also not employees or senior officers of the Company ("**Non-Employee Directors**"), shall be limited to the lesser of: (i) an aggregate reserve per year of one percent (1%) of the Company's Common Shares issued and outstanding for all Non-Executive Directors, and (ii) an annual equity award value of \$100,000 per Non-Employee Director (the "**Non-Employee Director Participation Limits**").

There is no maximum on the number of Common Shares which may be reserved for issuance to any one individual under the SOSB Plan or on the number of Bonus Shares which may be issued to any one individual under the Plan.

The SOSB Plan also contains an adjustment mechanism to alter the exercise price or number of shares issuable under the SOSB Plan upon a share reorganization, corporate reorganization or special distribution. In the event of a take-over bid or change of control, all Options outstanding under the SOSB Plan will immediately vest.

The SOSB Plan contains amending provisions which set out circumstances where Shareholder approval will be required, including: (i) amendments that increase the number of Common Shares issuable under the SOSB Plan, (ii) any reduction in the exercise price of Options or the cancellation and reissue of Options if the Optionee is not an Insider at the time of the proposed action, (iii) the extension of the term of any Option beyond the original expiry of Options if the Optionee is not an Insider at the time of the proposed action, (iv) amendments required to be approved by shareholders under applicable law, (v) amendments to the amendment procedures and provisions of the SOSB Plan, and (vi) amendments to Non-Employee Director Participation Limits.

The SOSB also contains provisions which set out circumstances where Shareholder Approval (as defined in the policies of the TSX) will be required, including (i) amendments to the SOSB Plan that could result at any time in the number of Common Shares reserved for issuance under the SOSB Plan to Insiders exceeding 10% of the outstanding

issue; (ii) amendments to the SOSB Plan that could result at any time in the issuance to Insiders, within a 12 month period, of a number of Shares exceeding 10% of the outstanding issue; (iii) any reduction in the Option price of an Option if the Optionee is an Insider at the time of the proposed amendment; and (iv) amendments requiring Shareholder Approval under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the TSX).

The SOSB Plan also contains provisions which set out circumstances where Shareholder approval will not be required (e.g. amendments of a housekeeping nature, which include altering, extending or accelerating the terms and conditions of vesting of any Options; extending the term of Options held by a person other than a person who, at the time of the extension, is an Insider of the Company; accelerating the expiry date of Options; amending the definitions contained within the Stock Option and Stock Bonus Plan; amending or modifying the mechanics of exercise of Options; effecting amendments of a “housekeeping” or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the SOSB Plan or any Option agreement; effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the TSX); effecting amendments respecting the administration of the SOSB Plan; effecting amendments necessary to suspend or terminate the SOSB Plan; and any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the TSX).

Bonus Shares

Pursuant to the SOSB Plan, the Compensation Committee can also issue up to an aggregate of 15,000,000 Bonus Shares (approximately 3.9% of the outstanding Common Shares as of the date of this Circular) per annum to those directors, officers and service providers of the Company who the Compensation Committee, in its sole discretion, deems to have provided extraordinary contributions to the advancement of the Company.

Stock Appreciation Rights

Pursuant to the SOSB Plan, the Compensation Committee may, from time to time, grant stock appreciation rights (“SARs”) to any Optionee in conjunction with any grant of Options. An Optionee may only exercise a SAR at the same time, and to the same extent, that the Option related thereto is exercisable. On the exercise of a SAR, the Optionee shall be entitled to receive such number of Common Shares as is equal to the excess, if any, of (i) the weighted average trading price of the Common Shares entitled to be acquired upon exercise of such Option as of the date of exercise of the Option, over (ii) the exercise price of such Option. For clarity, and by way of example only, if an Optionee is granted Options to purchase 10,000 Common Shares at \$1.00, he or she may choose to exercise such Option and the corresponding SAR when the Company’s Common Shares are trading at \$1.50, and thereby receive in consideration for the surrender of such Option receive 3,333 Common Shares from the Company $[(10,000 \times \$1.50) - (10,000 \times \$1.00)] / \$1.50$.

The provisions in the SOSB Plan applicable to Options apply equally to SARs. No SAR may be exercised beyond the stated expiry date of the corresponding Option, and SARs terminate on the termination of the corresponding Option.

Share Unit Plan

As disclosed under the heading “Executive Compensation – Long-Term Incentive Plan” above, in addition to the granting of Options under the SOSB and/or the issuance of Bonus Shares, the Company may also grant DSUs, PSUs and RSUs (collectively, “**Share Units**”) pursuant to the terms of the Company’s SUP to the Company’s directors, officers, employees and service providers.

The purpose of the SUP is to (i) provide the Company’s directors, officers, employees and service providers (“**Eligible Persons**”) the opportunity to participate in the progress of the Company by granting to such individuals awards that align to the long-term success of the Company, (ii) support and emphasize the achievement of the Company’s performance objectives, (iii) ensure the interests of key persons are aligned with the success of the Company, and (iv) provide compensation opportunities in order to attract, retain and motivate directors and senior management critical to the long-term success of the Company and its subsidiaries.

The SUP is administered by the Board or, at its option, the Compensation Committee. Subject to the approval of the Board for those matters required by the Compensation Committee’s mandate, the SUP is to administered by the

Compensation Committee which has sole and absolute discretion to, among other things, award Share Units to Eligible Persons and interpret and administer the SUP.

The Board, or the Compensation Committee, as applicable, may grant RSUs to Eligible Persons at its sole discretion. Under the SUP, Share Units vest on the date or dates set out in the grant agreement governing such award, or such earlier date as provided for in the SUP or as determined by the Compensation Committee, such vesting conditional on the satisfaction of any additional vesting conditions established by the Compensation Committee from time to time.

Pursuant to the SUP, settlement of Share Unit awards under the SUP shall be settled on or as soon as practical following the date of vesting and may be made by the Company in cash, in Common Shares purchased on the secondary market, or by the issuance of Bonus Shares, under the terms and conditions of the SUP governing the terms of the DSUs, RSUs and PSUs and, if Bonus Shares are issued, under the terms and conditions of the SOSB Plan. The SUP is, to the extent any Bonus Shares are used to settle a Share Unit award, subject to the insider participation limits set forth in Section 3.4 of the SOSB Plan.

If an employee or officer holding RSUs and/or PSUs, as applicable, ceases to be an employee or officer of the Company for any reason other than termination for cause, termination within the first six months from the date of hire, retirement or resignation, the applicable employee or officer will, at the date of termination, become entitled to vest a number of non-vested RSUs or PSUs, as applicable, pro-rated for the portion of months worked (rounded up or down to the closest whole month) prior to the date of termination. All vested RSUs or PSUs, as applicable, shall be settled on the date of termination based on the closing price of a Common Share on the facilities of the TSX as of the date of termination. If an employee or officer ceases to be an employee or officer by reason of termination for cause or resignation, the employee or officer shall forfeit all outstanding, non-vested RSUs or PSUs outstanding on the date of termination.

If an employee or officer holding RSUs and/or PSUs, as applicable, retires as an employee or officer, the individual will continue to have any non-vested RSUs and/or PSUs, as applicable, vest in according to the vesting schedule in each grant agreement and shall be settled at each date of settlement based on the closing price of a Common Share on the facilities of the TSX on the date of retirement.

If an employee or officer ceases to be an employee or officer of the Company by reason of death or disability, all non-vested Share Units will immediately vest as of the date of death or disability. The vested Share Units shall be settled based on the closing price of a Common Share on the facilities of the TSX at the date of death or disability. In cases of death, all settled Share Units will be payable to the individual's named beneficiary or estate.

If an employee or officer ceases to be an employee or officer for reason of retirement, all non-vested DSUs immediately vest as of the date of retirement and are settled based on the closing price of a Common Share on the facilities of the TSX on the date of retirement.

Shareholder Approval

The Board considers that the ability to grant an increased number of Bonus Shares is an important component of its compensation strategy and is necessary to enable the Company to compete for and attract and retain qualified directors, officers and service providers in the industry in which the Company operates. In addition, the Board believes that the approval of the unallocated Options under the SOSB Plan is in the best interest of the Company and its Shareholders as it would ensure the flexibility and efficacy of the SOSB Plan. The Board therefore recommends that Shareholders vote "FOR" the resolution approving the amended SOSB Plan and Shareholders vote "FOR" the resolution approving the unallocated Options under the Plan.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution, in substantially the following form, approving the amended SOSB Plan:

"WHEREAS the policies of the Toronto Stock Exchange require shareholder approval to increase the number of securities reserved for issuance pursuant to the stock option and stock bonus plan (the **"Stock Option and Stock Bonus Plan"**) of Trevali Mining Corporation (the **"Company"**);

AND WHEREAS the board of directors of the Company is seeking approval of the unallocated Options under the Stock Option and Stock Bonus Plan;

NOW THEREFORE BE IT RESOLVED THAT:

1. the proposed amended Stock Option and Stock Bonus Plan that increases the maximum number of common shares in the capital of the Company that may be reserved for issuance as Bonus Shares pursuant to the Stock Option and Stock Bonus Plan from 2,000,000 to 15,000,000 is hereby authorized and approved;
2. as at the date hereof, all unallocated options to purchase common shares under the Stock Option and Stock Bonus Plan and other entitlements including those issuable pursuant to the Share Unit Plan are hereby approved, ratified and authorized until June 1, 2019; and
3. any one officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

IN THE ABSENCE OF DIRECTION TO THE CONTRARY, IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION APPROVING THE AMENDED STOCK OPTION AND STOCK BONUS PLAN AND ALL UNALLOCATED OPTIONS AND OTHER ENTITLEMENTS UNDER THE STOCK OPTION AND STOCK BONUS PLAN AND THE SHARE UNIT PLAN. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE AMENDED STOCK OPTION AND STOCK BONUS PLAN AND THE UNALLOCATED OPTIONS AND OTHER ENTITLEMENTS UNDER THE STOCK OPTION AND STOCK BONUS PLAN AND THE SHARE UNIT PLAN. SHOULD THE RESOLUTION NOT BE APPROVED BY SHAREHOLDERS, THE OUTSTANDING OPTIONS AND OTHER ENTITLEMENTS UNDER THE STOCK OPTION AND STOCK BONUS PLAN AND SHARE UNIT PLAN WILL REMAIN OUTSTANDING UNAFFECTED.

4. Shareholder Rights Plan

At the annual and special meeting of the Company held on May 27, 2010, the Shareholders approved a shareholder rights plan (the "**Existing Plan**") dated as of April 22, 2010 between the Company and Computershare Investor Services Inc., the Existing Plan was re-approved at a meeting held on June 19, 2013. The Existing Plan will expire on June 19, 2016.

The Board of Directors of the Company has determined that it is advisable for the Company to enter into a new amended and restated shareholder rights plan (the "**Shareholder Rights Plan**"), which will become effective immediately after the close of the Meeting, provided the Shareholder Rights Plan is approved by the Shareholders by ordinary resolution at the Meeting. The Shareholder Rights Plan is substantially similar to the Existing Plan, with the exception of the amendments described herein.

At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to approve by means of an ordinary resolution, the Shareholder Rights Plan. If the Shareholder Rights Plan is approved, the Shareholder Rights Plan will require reconfirmation by the Shareholders at 2019 annual meeting of shareholders.

The following is a brief summary of the amendments to the Existing Plan and the principal terms of the Shareholder Rights Plan which is qualified in its entirety by the complete text of the Shareholder Rights Plan. The approval of the Shareholder Rights Plan is not being recommended in response to or in contemplation of any known take-over bid or similar transaction.

Proposed Amendments

On February 25, 2016, the Canadian Securities Administrators (the "**CSA**") announced amendments (the "**CSA Amendments**"), effective May 9, 2016, to the minimum period a take-over bid must remain open for deposits of securities thereunder, which extend the minimum period to 105 days (from its current 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Additionally, the minimum period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As a result, the only proposed substantive amendment to the Existing Plan is to extend the period of time a Permitted Bid must remain open solely to reflect changes to the take-over bid regime by the CSA. To ensure the Permitted Bid definition in the Shareholder Rights Plan remains aligned with the minimum period a take-over bid must remain open under applicable Canadian securities laws, the proposed amendments to the Existing Plan include:

1. amending the definition of “Permitted Bid” to require that a Permitted Bid remain open for a period of 105 days or such shorter minimum period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws; and
2. certain additional non-substantive, technical and administrative amendments, including to align the definition of a Competing Permitted Bid to the minimum number of days as required under Canadian securities laws.

As previously noted, other than the amendments described above, the Shareholder Rights Plan is identical to the Existing Plan. A copy of the Shareholder Rights Plan, as proposed to be amended, may be obtained by contacting Marla Ritchie, Corporate Secretary at (604) 488-1661 Ext. 3886 or by fax at (604) 408-7499 and, if approved by Shareholders, will be available following the Meeting under the Company’s SEDAR profile at www.sedar.com.

Purpose of the Shareholder Rights Plan

The CSA Amendments extend the minimum period a take-over bid must remain open for deposits of securities thereunder to 105 days (from its current 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Consistent with such amendments, the Shareholder Rights Plan encourages a potential acquiror to proceed with their bid in accordance with Canadian take-over bid rules, which require that the bid satisfy certain minimum standards intended to promote fairness or have the approval of the Board, by:

- protecting against “creeping bids” (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of Common Shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, the Board of Directors wants to allow all Shareholders to benefit from the acquisition of a control position of 20% or more of the Common Shares, and allow the Board of Directors to have sufficient time to explore and develop all options for maximizing shareholder value in the event a person tries to acquire a control position in the Corporation. Under the Shareholder Rights Plan, potential acquirors are prevented from accumulating effective control of the Corporation or a blocking position against other bidders except by way of a Permitted Bid (defined below).

Time to Consider Bid

The Shareholder Rights Plan gives the Board and Shareholders more time to consider a take-over bid by requiring an offeror to make a “Permitted Bid” if it wishes to proceed without negotiating with the Board of Directors and without triggering the Shareholder Rights Plan. In order to qualify as a Permitted Bid, the bid must meet certain minimum conditions. A Permitted Bid must, among other things, be open for at least 105 days and must remain open for a further period of 10 business days after the offeror publicly announces that more than 50% of the outstanding Voting Shares (as defined in the Shareholder Rights Plan) held by Independent Shareholders (as defined below) have been deposited or tendered and not withdrawn.

Issuance of Rights

The Shareholder Rights Plan (assuming it is approved at the Meeting) provides that one right (a “**Right**”) was issued in respect of each of the outstanding Common Shares to Shareholders as at June 19, 2013 as well as in respect of each Common Share issued after June 19, 2013 and prior to the Separation Time (as defined below).

Notwithstanding the effectiveness of the Shareholder Rights Plan, the Rights are not exercisable until the Separation Time and certificates representing the Rights will not be sent to the Shareholders. Certificates for the Common Shares issued after the effective date of the Shareholder Rights Plan will contain a notation incorporating the Shareholder Rights Plan by reference. Until the Separation Time, or earlier termination or expiry of the Rights, the Rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares will also constitute the surrender for transfer of the Rights associated with those Common Shares.

Separation of Rights

The Rights will become exercisable at the “Separation Time” which, unless waived or deferred by the Board of Directors in the instances permitted by the Shareholder Rights Plan, is generally the close of business on the tenth trading day after the earliest to occur of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding Voting Shares (as defined in the Shareholder Rights Plan) (i.e. become an Acquiring Person);
- (b) the date of commencement of, or the first public announcement of an intention of any person (other than the Company or any of its subsidiaries) to commence, a take-over bid (other than a Permitted Bid or a Competing Permitted Bid); and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

An Acquiring Person does not include a holder of 20% or more of the outstanding Voting Shares on the date the Shareholder Rights Plan was implemented (a “**Grandfathered Person**”), provided that such Grandfathered Person acquires no more Voting Shares, other than through one of the exemptions set out in the Shareholder Rights Plan. To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the Company does not have any Grandfathered Persons.

As soon as practicable following the Separation Time, separate certificates evidencing rights (“**Rights Certificates**”) will be mailed to the holders of record of the Voting Shares as of the Separation Time and the Rights Certificates alone will evidence the Rights.

When Rights Become Exercisable

After the Separation Time, each Right entitles the holder thereof to purchase one Common Share at the Exercise Price. Following a transaction which results in a person becoming an Acquiring Person (a “**Flip-in Event**”), the Rights entitle the holder thereof to receive, upon exercise, such number of Common Shares that have an aggregate market value (as of the date of the Flip-in Event) equal to twice the then Exercise Price of the Rights for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or certain transferees or any such person, will be void.

Permitted Bids

The Shareholder Rights Plan includes a “Permitted Bid” concept whereby a take-over bid will not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A “Permitted Bid” is defined as a take-over bid that is made by means of a take-over bid circular to acquire Voting Shares (which means Common Shares and any other shares in the capital of the Company entitled to vote generally in the election of all directors, or securities that are eligible to be converted into Voting Shares for cash or securities) of the Company, which, together with Voting Shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and others acting jointly or in concert therewith), constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the bid must be made to all the holders of Voting Shares as registered on the books of the Company, other than the offeror; and

- (b) the bid must also contain the following irrevocable and unqualified conditions: (i) no Voting Shares will be taken up or paid for prior to the close of business on the 105th day following the date of the bid and then only if more than 50% of the Voting Shares held by Independent Shareholders (as defined below) have been deposited or tendered to the bid and not withdrawn; (ii) Voting Shares may be deposited pursuant to the bid, unless it is withdrawn, at any time prior to the date shares are first taken up or paid for under the bid; (iii) Voting Shares deposited pursuant to the bid may be withdrawn until taken up or paid for; and (iv) if the deposit condition referred to in (b)(i) above is satisfied, the offeror will extend the bid for deposit of Voting Shares for at least 10 business days from the date such extension is publicly announced and, if such bid is a partial bid, not take up any Voting Shares under the bid until the expiry of such 10 business day period.

“Independent Shareholders” is defined generally as holders of Voting Shares other than (i) an Acquiring Person, (ii) any offeror making a take-over bid, (iii) any affiliate or associate of an Acquiring Person or offeror, (iv) persons acting jointly or in concert with an Acquiring Person or offeror, and (v) employee benefit, stock purchase or certain other plans or trusts for employees of the Company or its wholly-owned subsidiaries unless the beneficiaries of such plans or trusts direct the voting or tendering to a take-over bid of the Voting Shares.

Competing Permitted Bids

A “Competing Permitted Bid” is a take-over bid made after a Permitted Bid has been made and prior to expiry of such Permitted Bid that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until at least the later of (i) 35 days after the date of the bid and (ii) 105 days after the earliest date on which another Permitted Bid then in existence was made, and only if at that date more than 50% of the Voting Shares owned by Independent Shareholders have been deposited to the Competing Permitted Bid and not withdrawn.

Redemption and Waiver

The Board of Directors, acting in good faith, may prior to the occurrence of a Flip-in Event, waive the application of the Shareholder Rights Plan to a particular Flip-in Event where the take-over bid is made by a take-over bid circular to all holders of Common Shares or, as proposed to be amended, pursuant to an amalgamation, plan of arrangement or other procedure (statutory or otherwise) having similar effect (each an **“Alternative Transaction”**) which has been approved by the Board of Directors and the requisite majority of holders of Common Shares. Where the Board of Directors exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a take-over bid circular to all holders of Common Shares prior to the expiry of any other bid for which the Shareholder Rights Plan has been waived.

The Board of Directors, with the approval of a majority of votes cast by the Independent Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose, may redeem the Rights at \$0.000001 per Right. Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid, Competing Permitted Bid or Alternative Transaction.

Permitted Lock-Up Agreements

A person will not become an Acquiring Person by virtue of having entered into an agreement (a **“Permitted Lock-Up Agreement”**) with a Shareholder whereby the Shareholder agrees to deposit or tender Voting Shares to a take-over bid (the **“Lock-Up Bid”**) made by such person, provided that the agreement meets certain requirements including:

- (a) the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has not been made prior to the date on which such agreement is entered into, not later than the date of such agreement;
- (b) the Shareholder who has agreed to tender Voting Shares to the Lock-Up Bid is permitted to terminate its obligation under the agreement, and to terminate any obligation with respect to the voting of such Voting Shares, in order to tender Voting Shares to another take-over bid or transaction where: (i) the price or value per Voting Share offered under such other take-over bid or transaction exceeds the price or value per Voting Share offered under the Lock-Up Bid; (ii) the price or value per Voting Share offered under such other take-over bid or transaction exceeds by as much as or more than a specified amount (the **“Specified Amount”**) the price or value per Voting Share offered under the Lock-Up Bid, provided that

- such Specified Amount is not greater than 7% of the price or value per Voting Share offered under the Lock-Up Bid; or (iii) the number of Voting Shares to be purchased under such other take-over bid or transaction exceeds by as much as or more than a specified number (the “Specified Number”) the number of Voting Shares offered to be purchased under the Lock-Up Bid at a price or value per Voting Share that is not less than the price or value per Voting Share offered under the Lock-Up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Shares offered under the Lock-Up Bid;
- (c) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-Up Bid and 50% of the amount by which the price or value payable under another take-over bid or other transaction exceeds the price or value of the consideration received under the Lock-Up Bid shall be payable by a Locked-Up Person if the Locked-Up Person fails to deposit or tender Voting Shares to the Lock-Up Bid; and
 - (d) any right of first refusal or period of delay to give the person who made the Lock-Up Bid an opportunity to match the higher price, value or number in another take-over bid or transaction, does not preclude the exercise by the Locked-Up Person of the right to withdraw Voting Shares in sufficient time to deposit or tender to the other take-over bid or support the other transaction.

Protection Against Dilution

The Exercise Price, the number and nature of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Voting Requirements and Recommendation of the Board

The Shareholder Rights Plan Agreement must be ratified by Shareholders at the Meeting. The text of the resolution, which will be submitted to Shareholders at the Meeting, is set forth below. The Board believes that the adoption of the Shareholder Rights Plan is in the best interests of the Company and its Shareholders and, accordingly, recommends that Shareholders vote FOR the resolution. The Shareholder Rights Plan must be approved by not less than a majority of the votes cast by both (a) all Shareholders present or represented by proxy at the Meeting, and (b) all Shareholders present or represented by proxy at the Meeting that are not Grandfathered Persons under the Shareholder Rights Plan. To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the Company does not have any Grandfathered Persons.

“BE IT RESOLVED that:

- (a) the Shareholder Rights Plan, including the amendments thereto, as described in the Information Circular of the Company dated April 18, 2016, and the Amended and Restated Shareholder Rights Plan Agreement to be dated as of June 1, 2016 between the Company and Computershare Investor Services Inc., as rights agent, which amends and restates the Shareholder Rights Plan Agreement dated June 19, 2013, and continues the rights issued thereunder, is hereby approved, confirmed and ratified; and
- (b) any one director or officer of the Company is hereby authorized and directed to execute and deliver, whether under corporate seal or otherwise, any such agreement, instrument, notice, consent, acknowledgement, certificate or other document and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE SHAREHOLDER RIGHTS PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS THAT

ARE NOT GRANDFATHERED PERSONS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE SHAREHOLDER RIGHTS PLAN.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended December 31, 2015 was, a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the shareholder rights plan agreement.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2015. In addition, copies of the Company's annual financial statements and MD&A and this Circular may be obtained upon request to the Company. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to Suite 2300 – 1177 West Hastings Street, Vancouver, BC, V6E 2K3; or (ii) fax to (604) 408-7499. The Company may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Company, to the auditor of the Company, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Company.

Dated: April 18, 2016

"Mark D. Cruise"

Mark D. Cruise,
President, Chief Executive Officer and Director

SCHEDULE “A”
STATEMENT OF GOVERNANCE PRACTICES

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Board of Directors	
1. Board of Directors – Disclose how the board of directors (the “ Board ”) of Trevali Mining Corporation (the “ Company ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	<p>The Board currently consists of eight directors of which Anton Drescher, Christopher Eskdale, Mike Hoffman, Catherine Gignac, Valentin Paniagua, David Huberman and Peter Meredith are “independent”, as such term is defined in NI 58-101.</p> <p>Dr. Mark Cruise is a member of the Company’s management in his capacity as President and Chief Executive Officer (“CEO”) and therefore is not considered an independent director.</p>
2. Directorships – If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the management information circular dated May 5, 2015 (the “ Circular ”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
3. Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of Company’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent directors do not have regularly scheduled meetings in the absence of the non-independent directors and management, but can do so on an <i>ad hoc</i> basis, at the expense of the Company, as they see fit. The independent directors met as a group, without the non-independent directors or management being present, once during the fiscal year ended December 31, 2014.
4. Disclose whether or not the Chairman of the Board is an independent director. If the Board has a Chairman who is an independent director, disclose the identity of the independent Chairman, and describe his or her role and responsibilities.	<p>The Chairman of the Board is David Huberman who is independent.</p> <p>The Chairman has responsibility for maintaining the independence of the board and ensuring that the Board carries out its responsibilities. The Chairman meets periodically with the Chief Executive Officer of the Corporation to discuss various matters relating to the Corporation. Mr. Huberman also serves as the Chairman of the Corporation’s Corporate Governance and Nominating Committee.</p>
5. Disclose the attendance record of each director for all Board meetings held since the beginning of the Company’s most recently completed financial year.	Please refer to the Circular under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
6. Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The directors have adopted a formal written mandate. A copy of the mandate may be found as Schedule “B” to the Circular.

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101")	Comments
Position Descriptions	
<p>7. Disclose whether or not the Board has developed written position descriptions for the Chairman and the Chairman of each Board committee. If the Board has not developed written position descriptions for the Chairman of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>At present, the Board has delegated the day-to-day management of the business and affairs of the Company to the executive officers of the Company. Generally, operations in the ordinary course or that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of the Company have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Company require prior approval of the Board. Any responsibility which is not delegated to management or a Board committee remains with the Board.</p>
<p>8. Describe whether or not the Board and CEO have developed a written position description for the CEO. If the Board and the CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The CEO reviews corporate objectives with the Board on a quarterly basis. In this manner, the Board approves or develops the corporate objectives which the CEO is responsible for meeting.</p>
Orientation and Continuing Education	
<p>9. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.</p>	<p>The Nominating and Governance Committee, in conjunction with the Chairman of the Board and the CEO of the Company, are responsible for ensuring that the new directors are provided with an orientation and education program which includes written information about the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. New directors are also given the opportunity to independently consult with the legal counsel to the Company to better understand their legal obligations as directors of the Company.</p> <p>The following activities are performed by the Company to ensure that directors maintain the knowledge necessary to meet their obligations as a Board director:</p> <p>a) Management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSX to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.</p> <p>b) Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
	<p>c) Directors may attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Company’s business and developments in areas where they are not commonly exposed.</p> <p>d) At each quarterly Board meeting, the CEO makes a presentation to the Board to provide a comprehensive explanation of the Company’s financial performance, anticipated future financial results and market trends.</p> <p>e) With respect to novel business, accounting and industry issues, management will arrange for an industry or related professional to make a presentation to or provide advice to the Board on a topic relevant to those issues, if required.</p> <p>In January 2016, Anton Drescher visited the Santander mine site in Peru and, in February 2016 Michael Hoffman visited the Caribou mine site in New Brunswick, and the entire Audit Committee visited the Caribou mine site in New Brunswick in September 2014.</p>
Ethical Business Conduct	
<p>10. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p>	<p>The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives according to the highest ethical standards. To this end, in May 2008, the Board adopted a Code of Business Conduct and Ethics (the “Code”) for its directors, officers and employees. The Code was updated by the Board in January 2013. Pursuant to the Code, the Company has appointed David Huberman, the Chairman of the Company’s Nominating and Governance Committee, to serve as the Company’s Ethics Officer to ensure adherence to the Code, reporting directly to the Board. Training in the Code is included in the orientation of new employees and, to ensure familiarity with the Code, directors, officers and employees are asked to read the Code and are required to sign a Compliance Certificate annually. Directors, officers and employees are required to report any known violations of the Code to the Ethics Officer or the Chairman of the Audit Committee.</p> <p>As one measure to ensure compliance with the Code, the Board has established a Whistleblower Policy to discourage illegal activity and business conduct that damages the Company’s good name, business interest, and its relationship with Shareholders, tenants and the community at large.</p> <p>The Board has also adopted a “Share Trading Policy”, which prescribes rules with respect to trading in securities of the Company where there is any undisclosed material information or a pending material development. Strict compliance with the provisions of this policy is required, with a view to enhancing investor confidence in the Company’s securities and contributing to ethical business conduct by the Company’s personnel.</p> <p>In April 2012, the Board also created a Sustainability Committee in order to reflect the Company’s continuing commitment to improving the environment and ensuring that its activities are carried out in a</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
	safe, sustainable and environmentally sound manner (see “Other Board Committees” below).
(i) disclose how a person or company may obtain a copy of the code;	A copy of the Code is available free of charge to any person upon request to the Company at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3 (Telephone: 604.488.1661 or Fax: 604.408.7499) and may be found on www.sedar.com.
(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and	The Board monitors compliance with the Code and management provides an annual report to the Board regarding issues, if any, arising under the Code. The Nominating and Governance Committee reviews the adequacy of the Code on an annual basis. In addition, the Company uses a confidential and anonymous reporting system that allows reporting by anyone having a concern about unethical or illegal activities. All employees of the Company are expected to inform their manager or supervisor of such concerns. If an employee is not comfortable speaking to his or her supervisor or is not satisfied with the supervisor’s response, the employee is encouraged to speak with anyone in management of the Company with whom he or she is comfortable approaching. All complaints are to be reported to the Company’s Ethics Officer and/or the Chairman of the Audit Committee in the Whistleblower Policy who is responsible for investigating all reported complaints.
(iii) provide a cross-reference to any material change report filed since the beginning of the Company’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	There have not been, since the beginning of the Company’s most recent fiscal year, any material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.
11. Describe the steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, and any other steps the Board takes to encourage and promote a culture of ethical business conduct.	<p>As some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the <i>Business Corporations Act</i> (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.</p> <p>The Board adopted also the Code and a Whistleblower Policy, over which the Board and the Nominating and Governance Committee have oversight. Management is required to report annually as to whether there have been any reports or incidents.</p>
Nomination of Directors	
12. Disclose the process by which the Board identifies new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	In order to identify new candidates for nomination to the Board, the Board considers the advice and input of the Nominating and Governance Committee. The Chairman of the Board and the Chair of the Nominating and Governance Committee, together with the CEO, develop a list of potential candidates for review by the Nominating and Governance Committee. Given that the various

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101")	Comments
	<p>members of the Board have, in aggregate, a wide network of contacts, all members of the Board are encouraged to submit names of potential candidates who would make significant contributions to the Company. Through discussion, the list is refined by the Nominating and Governance Committee.</p>
<p>13. Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p>	<p>The Nominating and Governance Committee is comprised of David Huberman, Valentin Paniagua and Catherine Gignac, all of whom are independent directors within the meaning of NI 58-101. The Chair of the Nominating and Governance Committee is David Huberman.</p>
<p>14. If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Nominating and Governance Committee's charter provides that its responsibilities will include: (a) identifying and reviewing the qualifications of and recommending to the Board possible nominees for the Board to be proposed in management's proxy circular for election or re-election at each annual general meeting; (b) identifying and reviewing the qualifications of and recommending to the Board possible candidates to fill vacancies on the Board between annual general meetings; (c) overseeing the effective functioning of the Board; (d) overseeing the relationship between management and the Board and recommending improvements in such relationship to the Board; and (e) annually reviewing and making recommendations to the Board with respect to: (i) the size and composition of the Board, with a view to promoting effectiveness and efficiency; (ii) the appropriateness of the committees of the Board, their mandates and responsibilities and the allocation of directors to the committees; (iii) the appropriateness of the terms of the mandate and responsibilities of the Board; (iv) the compensation of the directors in light of time commitments, comparative fees, risks and responsibilities; (v) the directorships held by the Company's directors and officers in other corporations; (vi) the Company's nominees on the boards of directors of its subsidiaries and other corporations; and (vii) the corporate objectives which the Chairman of the Board is responsible for meeting, the assessment of the Chairman of the Board against these objectives and the appropriateness of the duties and responsibilities of the Chairman of the Board.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Compensation	
15. Describe the process by which the Board determines the compensation for the Company’s directors and officers.	<p>The Compensation Committee conducts an annual review of the performance of the Company and the CEO as measured against objectives established in the prior year by the Compensation Committee and the CEO and approved by the Board. The results of this annual review are communicated to the full Board who then make an evaluation of the overall performance of the Company and the CEO. This performance evaluation is communicated to the CEO by the Chair and the Chair of the Compensation Committee. The evaluation is used by the Compensation Committee in its deliberations concerning the CEO’s annual compensation. The evaluation of performance against objectives forms part of the determination of the entire compensation of senior employees. The Compensation Committee also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.</p> <p>The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of the Circular.</p>
16. Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	<p>The Compensation Committee is comprised of Michael Hoffman, Anton Drescher and David Huberman, all of whom are independent directors within the meaning of NI 58-101. The Chair of the Compensation Committee is Michael Hoffman.</p> <p>Further details on the members of the Compensation Committee can be found in the “Compensation Discussion and Analysis” section of the Circular.</p>
17. If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	<p>The Compensation Committee’s charter provides that its responsibilities will include: (a) determining the salary and benefits of the CEO, subject to the terms of any existing contractual arrangements; (b) on the recommendation of the CEO, determining the general compensation structure and policies and programs for the Company and the salary and benefit levels for the senior officers; (c) administering the Company’s stock option plan and determining its use, from time to time, as a form of compensation for salaried personnel; (d) determining the senior officers and other employees of the Company who are eligible for cash performance or incentive bonuses and, on the recommendation of the CEO, determining the bonuses to be awarded to such officers and employees; (e) reviewing and making recommendations to the board of directors on issues that arise in relation to any employment contracts in force from time to time; (f) to reviewing annually all other benefit programs for salaried personnel; and (g) reviewing and approving severance arrangements for senior officers.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Other Board Committees	
18. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	In April 2012, the Board created a Sustainability Committee in order to reflect the Company’s continuing commitment to improving the environment and ensuring that its activities are carried out in a safe, sustainable and environmentally sound manner.
Assessments	
19. Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The entire Board will evaluate the effectiveness of the Board, its committees and individual directors on an annual basis. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its charter, the performance of the committee as a whole and the performance of the committee Chair.
Director Term Limits and Other Mechanisms of Board Renewal	
20. Disclose whether the company has adopted term limits for the directors on its Board or other mechanisms for Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the Company has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.	The board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Company has achieved a satisfactory turnover of directors over its history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.
Policies Regarding the Representation of Women on the Board	
21. Disclose whether the company has adopted a written policy relating to the identification and nomination of women directors. If the Company has not adopted such a policy, disclose why it has not done so. If the Company has adopted a policy, disclose a short summary of its objectives and key provisions, the measures taken to ensure that the policy has been effectively implemented, annual and cumulative progress by the Company in achieving the objectives of the policy, and whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.	While the Company has not formally adopted a written policy relating to the identification and nomination of women directors. At least annually, however, the Nominating and Governance Committee performs a review and evaluation of the proportion of female and minority individuals on the Board and reports to the Board on the results of this review and evaluation.
Consideration of the Representation of Women in the Director Identification and Selection Process	
22. Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election	The diversity of the Board (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential directors.

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
<p>or re-election to the Board. If the Company does not consider the representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Company’s reasons for not doing so.</p>	
Consideration Given to the Representation of Women in Executive Officer Appointments	
<p>23. Disclose whether and, if so, how the Company considers the level of representation of women in executive officer positions when making executive officer appointments. If the Company does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Company’s reasons for not doing so.</p>	<p>At least annually, the Nominating and Governance Committee performs a review and evaluation of the proportion of female and minority individuals in executive officer positions at the Company and reports to the Board on the results of this review and evaluation.</p> <p>The diversity of the executive officers (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential executive officers.</p>
<p>24. Disclose whether the Company has adopted a target regarding women on the Board or in executive officer positions. If the Company has not adopted a target, disclose why it has not done so. If the Company has adopted a target, disclose the target, and the annual and cumulative progress of the Company in achieving the target.</p>	<p>At this time the Company has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Company is of the view that its current practice of considering diversity as one of many factors in selecting candidates as potential directors or executive officers permits the Company to balance the benefit of diversity with other relevant considerations. The Company is committed to increasing Board diversity, and recognizes that the Board’s background should represent a variety of backgrounds, experiences and skills.</p> <p>However, the Company has not adopted a written policy relating to the identification and nomination of women or minority directors. In making recommendations for the appointment or election of new Board members, the Nominating and Governance Committee considers all aspects of diversity, including, but not limited to, gender. The Nominating and Governance Committee also adheres to the principle of meritocracy, and considers individuals’ skills, knowledge, experience, and character necessary for the role.</p>
Number of Women on the Board and in Executive Officer Positions	
<p>25. Disclose the number and proportion (in percentage terms) of (i) directors on the Board, and (ii) executive officers of the Company, who are women.</p>	<p>Women hold one of the eight positions on the Board (12.5%) and one of the five positions as executive officers (20%) in the Company.</p>

SCHEDULE “B” CHARTER OF THE BOARD OF DIRECTORS

I. PURPOSE

The Board of Directors (the “**Board**”) is responsible for the stewardship of the Company and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, Compensation Committee, Nominating and Governance Committee and Sustainability Committee. The Board shall meet at least quarterly to review the business operations, corporate governance and financial results of the Company. Meetings of the Board shall also include regularly scheduled meetings of the independent members of the Board without management being present.

II. COMPOSITION

The Board shall be constituted at all times of a majority of independent Directors in accordance with National Instrument 58-201. The Chair of the Board should also be independent or alternatively the Board will appoint an independent lead Director.

III. RESPONSIBILITIES

The Board's mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- (a) The assignment to the various committees of Directors the general responsibility for developing the Company's approach to: (i) corporate governance and nomination of Directors related issues; (ii) financial reporting and internal controls; (iii) and issues relating to compensation of officers and employees.
- (b) With the assistance of the Nominating and Governance Committee:
 - Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Company.
 - Reviewing the composition of the Board and ensuring it respects its independence criteria.
 - Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
 - The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual Directors, including, consideration of the appropriate size of the Board.
 - The assessment, at least annually, of each director regarding his or her effectiveness and contribution in consideration of the competencies and skills each individual director is expected to bring to the board.
 - Ensuring that an appropriate review selection process for new nominees to the Board is in place.
 - Ensuring that an appropriate orientation and education program for new members of the Board is in place.
 - Ensuring that continued education opportunities are available to all directors to ensure knowledge and understanding of the Company's business by the directors remain current.
 - Approving disclosure and securities compliance policies, including communications policies of the Company.
 - Approve a position description for the CEO including limits to management's responsibilities and corporate objectives which the CEO is responsible for meeting.

- Engage in succession planning including appointment, training and monitoring senior management.
 - Select, monitor and evaluate the CEO and other senior executives and ensure the adoption of management succession plan.
- (c) With the assistance of the Audit Committee:
- Recommending the appointment of the auditors and assessing the performance of the auditors.
 - Ensuring the integrity of the Company's internal controls and management information systems.
 - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
 - Identification of the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
 - Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
 - Reviewing and approving the Company's quarterly interim and annual financial statements and notes, including the Management's Discussion and Analysis.
 - As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
- (d) With the assistance of the Audit Committee and the Chief Executive Officer, the establishment of appropriate performance criteria for the senior management team and the approval of the compensation of the senior management team.
- (e) With the assistance of the Chief Executive Officer, develop measures for the receipt of feedback from the Company' stakeholders, and monitor and review feedback provided.
- (f) Succession planning and the selection, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- (g) The adoption of a strategic planning process, approval at least annually of a strategic plan that takes into account business opportunities and business risks identified by the Board and/or the Compensation Committee and monitoring performance against such plans.
- (h) The review and approval of corporate objectives and goals applicable to the Company's senior management and monitoring realization of those objectives.
- (i) The review and approval of the Company's approach to health, safety and environment ("HSE") issues and regular review of any HSE incidents.
- (j) Reviewing with senior management:
- major corporate decisions which require Board approval and approving such decisions as they arise.
 - major capital expenditure decisions (in excess of \$500,000) unless previously authorized in a budget or plan by the Board.
 - material decisions relating to senior personnel, major property acquisitions or divestments, major investments, etc.
- (k) Performing such other functions as prescribed by law or assigned to the Board in the Company's constating documents and by-laws.

IV. MISCELLANEOUS

1. The Board may, at its sole discretion, retain, at the expense of the Company such advisors or consultants as it may deem necessary or advisable in order to properly and fully perform its duties and responsibilities hereunder.
2. In addition to the foregoing, the Board will:
 - (a) periodically assess the Board's performance of the duties specified in this charter;
 - (b) review and assess the adequacy of the charter at least annually;
 - (c) perform such other duties as may from time to time be required by applicable stock exchanges, regulatory authorities or applicable legislation.
3. The members of the Board are expected to attend all meetings of Board unless prior notification of absence is provided.
4. The members of the Board are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting, to actively participate in Board deliberations, and to take full responsibility for Board decisions.
5. Board members will treat their fellow board members with respect.
6. The members of the Board should endeavour to avoid conflicts between their own personal interests and those of the Company and, where conflicts exist, to fully disclose such conflicts to the Board and refrain from participating in decisions relating to the subject matter of such conflicts.

SCHEDULE "C"
STOCK OPTION AND STOCK BONUS PLAN



AMENDED AND RESTATED
~~2012~~ STOCK OPTION AND STOCK BONUS PLAN

DATED: June 25, 2012
(as amended on May 1, 2013 and ~~April 11, 2016~~ April 11, 2016)

1. PURPOSE OF THE PLAN

Trevali Mining Corporation (formerly Trevali Resources Corp.) (the “Company”) hereby establishes a stock option plan for the directors, officers and Service Providers (as defined below) of the Company and its subsidiaries, to be known as the “Stock Option and Stock Bonus Plan” (the “Plan”). The purpose of the Plan is to give the Company’s board of directors the ability to (i) provide the Company’s directors, officers and Service Providers the opportunity to participate in the progress of the Company by granting to such individuals options to buy shares of the Company; and (ii) provide additional compensation by issuing to such individuals common shares in the capital of the Company.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

“**Affiliate**” has the same meaning as “affiliated companies” as found in the *Securities Act* (Ontario).

“**Associate**” has the same meaning as found in the *Securities Act* (Ontario).

“**Black-Out Period**” means a time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any Optionee.

“**Black-Out Expiration Term**” means the ten business days following the end of the Black-Out Period.

“**Board**” means the board of directors of the Company or, in the appropriate circumstances, any duly appointed committee thereof.

“**Bonus Shares**” has the meaning ascribed thereto in section 8.1 of this Plan.

“**Change of Control**” means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates, and another corporation or other entity, as a result of which the holders of outstanding Shares prior to the completion of the transaction hold less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its subsidiaries on a consolidated basis, to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) the Board adopts a resolution to wind-up, dissolve or liquidate the Company;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an “Acquiror”) acquires directly or indirectly or acquires control or direction over (including, without limitation, the right to vote or direct the voting of) Voting Securities of the Company which, when added to the Voting Securities owned directly or indirectly of record or beneficially by the Acquiror or which the Acquiror has control or direction over, would entitle the Acquiror and/or its Associates and/or its Affiliates to cast or to direct the casting of 20% or more of the votes attached to all of the Company’s outstanding Voting Securities which may be cast to

elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

- (e) during any period of two consecutive years individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors of the Company then still in office who either were directors of the Company at the beginning of the two-year period or whose election or nomination for election was previously so approved (but excluding for this purpose any such new director whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or person other than the Board), cease for any reason to constitute at least a majority of the Board; or
- (f) the Board adopts a resolution determining, in its discretion, that a Change of Control, or another event that would materially alter the structure of the Company or its ownership, has occurred or is imminent.

For the purposes of the foregoing, "**Voting Securities**" means the Shares and any other securities which entitle their holders to vote for the election of directors of the Company, and shall include any security, whether or not issued by the Company, which are not shares or securities entitled to vote for the election of directors but are convertible into or exchangeable for shares or securities which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

"**Committee**" means the compensation committee of the Board, or any other committee of the Board established to monitor and recommend on compensation matters; or in absence of any such committee, the Board itself.

"**Company**" means Trevali Mining Corporation and its successors.

"**Disability**" means any disability with respect to an Optionee which the Committee, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
- (b) acting as a director or officer of the Company or its subsidiaries.

"**Disinterested Shareholder Approval**" means disinterested shareholder approval as defined in the policies of the Exchange.

"**Exchange**" means the Toronto Stock Exchange or "TSX" and, if applicable, any other stock exchange or securities market on which the Shares are listed.

"**Expiry Date**" means the date set by the Committee under section 3.3 of this Plan, representing the last date on which an Option may be exercised.

"**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.

“Insider” has the same meaning as found in the *Securities Act* (Ontario) and also includes Associates and Affiliates of the Insider.

“Market Price” of Shares at any date means the weighted average trading price of the Shares on the Exchange or, if the Shares are not listed on the Exchange, such other stock exchange or securities market on which Shares are listed as is selected by the Committee, on the five trading days (on which at least one board lot of the Shares was traded) prior to such date.

“Non-Employee Directors” means those directors of the Company who are also not employees or senior officers of the Company.

“Option” means an option to purchase Shares granted pursuant to this Plan.

“Option Agreement” means an agreement, in substantially the form attached hereto as Schedule A, whereby the Company grants an Option to an Optionee.

“Option Price” means the price per Option Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 6 of this Plan.

“Option Shares” means the aggregate number of Shares which an Optionee may purchase under an Option.

“Optionee” means, subject to all applicable laws, each of the directors, officers and Service Providers granted an Option pursuant to this Plan and their heirs, executors and administrators, and in respect of any assignment of Options by an Optionee pursuant to section 10.4 of this Plan, means any Permitted Assign of such Optionee as the context requires.

“Permitted Assigns” means as applicable an RRSP, RRIF or TFSA of such Optionee.

“Plan” means this Stock Option and Stock Bonus Plan.

“RRIF” means a registered retirement income fund as defined in the *Income Tax Act* (Canada).

“RRSP” means a registered retirement savings plan as defined in the *Income Tax Act* (Canada).

“SAR” means a stock appreciation right, being a right, granted by the Company as compensation for services rendered or in connection with a recipient’s office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company’s Shares.

“Service Provider” means:

- (a) an employee of the Company or any of its subsidiaries;
- (b) any other person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company; and
- (c) any person who is providing ongoing management or consulting services to the Company or to any entity controlled by the Company indirectly through a company that is a Service Provider.

“**Shares**” means the common shares in the capital of the Company as constituted on the date of this Plan provided that, in the event of any adjustment pursuant to section 6 of this Plan, “**Shares**” shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

“**TFSA**” means a tax-free savings account as described in the *Income Tax Act* (Canada).

“**Unissued Option Shares**” means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5 of this Plan, such adjustments to be cumulative.

3. OPTION GRANTS AND TERMS OF OPTIONS

3.1 Grants

The Committee shall from time to time recommend to the Board the grant of Options to directors, officers and Service Providers of the Company and any of its subsidiaries, together with such limitations, restrictions and conditions as it may consider reasonable. The Board will have the authority to grant Options and to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Optionee’s rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Optionee may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion. In addition, the Committee may determine when any Option will become exercisable and may determine that the Option will be exercisable in installments or pursuant to a vesting schedule.

3.2 Black-Out Period

Except where not permitted by the Exchange, where an Option expires during a Black-Out Period or during the Black-Out Expiration Term, the term of such Option shall be extended to the end of the applicable Black-Out Expiration Term.

3.3 Option Terms

The Option Price for each Option shall be not less than the Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Committee on the Grant Date, and, subject to section 3.2 above, shall not be more than ten (10) years from the Grant Date. Any Options which are exercised, expired or terminated will be available for re-granting under the Plan. Options shall be non-assignable and non-transferable, and subject to such vesting provisions as the Committee in its sole discretion shall determine.

3.4 Limits on Shares Issuable on Exercise of Options; on the Grant of Bonus Shares and on Shares Issuable to Non-Employee Directors

The maximum number of Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, in aggregate, shall be equal to, but will not exceed at any time, 10% of the total number of the issued and outstanding Shares as of the Grant Date on a non-diluted basis.

The maximum number of Shares issuable to all Insiders of the Company under the Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, is limited

to not more than 10% of the issued and outstanding Shares at the time of grant. In addition the maximum number of Shares which may be issued to Insiders under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, in any 12-month period may not exceed 10% of the issued and outstanding Shares at the time of grant.

In addition to the foregoing, the maximum number of Shares which may be issuable pursuant to Options granted or Bonus Shares issued under the Plan to Non-Employee Directors, shall be limited to the lesser of: (i) an aggregate reserve per year of one percent (1%) of the Company's shares issued and outstanding for all Non-Executive Directors, and (ii) an annual equity award value of \$100,000 per Non-Employee director (herein, the "Non-Employee Director Participation Limits").

3.5 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares within the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. **EXERCISE OF OPTION**

4.1 Manner of Exercise

An Option shall be exercisable by the Optionee delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon the Company's receipt of such notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case:

- (a) the Option shall not have been validly exercised; and
- (b) the Option shall no longer be exercisable unless the Committee determines otherwise.

4.2 General Rule

Subject to section 4.3 of this Plan, and any vesting restrictions applicable to the exercise of an Option as stated in the Option Agreement governing such Option, an Option may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date up to 5:00 p.m. (Vancouver time) on the Expiry Date.

4.3 Termination of Affiliation

If an Optionee ceases to be a director, officer or Service Provider of the Company or its subsidiaries, each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option as follows:

- (a) Resignation or Ceasing to Hold Office. If the Optionee, or in the case of an Option granted to any Optionee who satisfies the definition of Service Provider, the Optionee's employer, ceases to be employed or engaged by the Company and any of its subsidiaries (including by way of voluntary resignation as a director, officer or Service Provider), each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the

terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date which is ninety (90) days after the Optionee ceases to be a director, officer or Service Provider;

- (b) Termination (other than for Cause). Notwithstanding subsection 4.3(a) of this Plan, if the Optionee is terminated by the Company (other than for Cause as addressed in subsection 4.3(d) below), the Optionee shall be eligible to exercise that number of Option Shares that have vested pursuant to the terms of the Option Agreement as at the date of such termination (and for Options that have not fully vested at the date of termination, such number of unvested Options pro-rated to the date of termination) at any time up to but not after the earlier of the Expiry Date of that Option and the date which is ninety (90) days after the date of termination;
- (c) Death. Notwithstanding subsection 4.3(a) of this Plan, if the Optionee ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries due to death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, each Option held by the Optionee shall be deemed to have vested immediately and such Options shall be exercisable by the Optionee's legal representatives at any time up to the earlier of the Expiry Date of that Option and the date which is nine (9) months after the date of death or Disability;
- (d) For Cause. Notwithstanding subsection 4.3(a) of this Plan, if the Optionee, or, in the case of an Option granted to an Optionee who satisfies the definition of Service Provider, the Optionee's employer:
 - (i) ceases to be employed or engaged by the Company and any of its subsidiaries for cause, as that term is determined by the Board, or interpreted by the courts of the jurisdiction in which the Optionee or Optionee's employer is employed or engaged if subject to court review;
 - (ii) ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries by order of any securities commission, recognized stock exchange, or any regulatory body having jurisdiction to so order;
 - (iii) ceases to provide investor relations services if the Optionee's primary function with the Company was the provision of such services; or
 - (iv) ceases to be eligible to hold office as a director of the Company and any of its subsidiaries under the provisions of the applicable corporate statute,

each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date that is thirty (30) days following the date of termination for Cause; and

- (e) Retirement. Notwithstanding subsection 4.3(a) of this Plan, if the Optionee ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries due to retirement, each Option held by the Optionee shall continue to vest post-retirement (as if retirement had not occurred) and such Option(s) shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option(s) at any time up to the Expiry Date of that Option.

For clarity, notwithstanding any other term of this Plan, no Options shall vest and be exercisable prior to the completion of the Company's mandatory six month probation period for any Optionee who is a newly hired employee.

4.4 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Service Provider, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company and any of its subsidiaries, the loss of the right to purchase Shares pursuant to section 4.3 of this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatever in respect of such Optionee.

4.5 Amendment of Options by the Committee

Notwithstanding subsections 4.3(a) and 4.3(c) of this Plan and in addition to section 5.1 below, the Committee reserves the right to amend the terms of an Option granted to any Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Service Provider, the Optionee's employer, if such party resigns or is terminated from employment or engagement with the Company and any of its subsidiaries or such other circumstances as the Committee sees fit. The Committee shall be entitled, but in no way obligated, to amend the terms of any such granted Option, including the number of Option Shares which an Optionee may purchase under such Option, the Expiry Date of such Option, the vesting provisions of such Option and the Option Price of such Option.

4.6 Amendment of Options of Insiders by the Committee

Notwithstanding section 4.5 of this Plan and in addition to section 5.1 below, the Committee will not amend the terms of any Option held by an Insider without first receiving the requisite shareholder approval, except that the Committee may at its discretion change the vesting provisions of any Option granted to an Insider.

4.7 Accelerated Vesting and Termination

The Company may, during the term of any Option, give 30 days notice in writing to all of the Optionees that all Options outstanding under the Plan that have not vested as at the time of the notice are immediately deemed vested, and all Options outstanding under the Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the Optionees exercise such Options before their termination on the 30th day after delivery of the notice.

4.8 Withholding Taxes

The Company may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any Canadian federal, provincial or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards hereunder ("**Withholding Obligations**"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Optionee such number of Shares issued to the Optionee upon the exercise of Options granted hereunder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker) or retaining any amount payable which would otherwise be delivered, provided or paid to the Optionee hereunder. The Company may require an Optionee, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable

Withholding Obligations, including, without limitation, requiring the Optionee to:

- (a) remit the amount of any such Withholding Obligations to the Company in advance;
- (b) reimburse the Company for any such Withholding Obligations; or
- (c) cause a broker who sells Shares acquired by the Optionee under the Plan on behalf of the Optionee to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company.

Any Shares of an Optionee which are sold by the Company, or by a broker engaged by the Company (the “**Broker**”), to fund Withholding Obligations will be sold as soon as reasonably practicable in transactions effected on the Exchange. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any Shares to an Optionee. The sale price of Shares sold on behalf of Optionees will fluctuate with the market price of the Company’s shares and no assurance can be given that any particular price will be received upon any such sale.

5. AMENDMENT PROCEDURES

5.1 Amendment Procedure

The Company retains the right to amend or terminate the terms and conditions of this Plan or any Option Agreement, as applicable, by resolution of the Committee (the “Amendment Procedure”). Any amendment to the Plan shall take effect only with respect to Options granted after the effective date of such amendment, provided that it may apply to any outstanding Options with the mutual consent of the Company and the Optionees to whom such Options have been granted. Without limiting the generality of the foregoing, the Committee may use the Amendment Procedure without seeking shareholder approval when:

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) extending the term of Options held by a person other than a person who, at the time of the extension, is an Insider of the Company;
- (c) accelerating the Expiry Date of Options;
- (d) amending the definitions contained within the Plan;
- (e) amending or modifying the mechanics of exercise of Options as set forth in Section 4, provided however, if no corresponding SAR was granted, payment in full of the Option Price for the Shares shall not be so amended or modified;
- (f) effecting amendments of a “housekeeping” or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan or any Option Agreement;
- (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);

- (h) effecting amendments respecting the administration of the Plan;
- (i) effecting amendments necessary to suspend or terminate the Plan; and
- (j) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the Exchange).

5.2 Shareholder Approval

Shareholder approval will be required for the following types of amendments:

- (a) amendments that increase the number of Shares issuable under the Plan, except such increases by operation of Section 6 of the Plan;
- (b) any reduction in the Option Price of an Option or the cancelation and reissue of Options if the Optionee is not an Insider at the time of the proposed action;
- (c) the extension of the term of any Option beyond the original expiry of Options if the Optionee is not an Insider at the time of the proposed action;
- (d) amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange);
- (e) amendments to the Plan's amendment procedures/provisions; and
- (f) amendments to the Non-Employee Director Participation Limits.

5.3 Disinterested Shareholder Approval

Disinterested Shareholder Approval will be required for the following types of amendments:

- (a) amendments to the Plan that could result at any time in the number of Shares reserved for issuance under the Plan to Insiders exceeding 10% of the outstanding issue;
- (b) amendments to the Plan that could result at any time in the issuance to Insiders, within a 12 month period, of a number of Shares exceeding 10% of the outstanding issue;
- (c) any reduction in the Option Price of an Option if the Optionee is an Insider at the time of the proposed amendment; and
- (d) amendments requiring Disinterested Shareholder Approval under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

6. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

6.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “Share Reorganization”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.2 Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option, the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Committee in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

6.3 Corporate Reorganization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 6.1 or 6.2 of this Plan;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Corporate Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares.

6.4 No Fractional Shares

No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of a Share Reorganization or Corporate Reorganization, an Optionee would become entitled to a fractional Share, such Optionee shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

7. **TAKE-OVER BIDS AND CHANGES OF CONTROL**

7.1 Effect of a Take-Over Bid

If a bona fide offer (an "Offer") for Shares is made to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act* (British Columbia), the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Options outstanding under the Plan that have not vested at the time of such Offer will become immediately vested and any such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise, pursuant to the Offer.

However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but

unissued Shares and with respect to such returned Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to this section shall be reinstated. If any Shares are returned to the Company under this section 7.1, the Company shall immediately refund the Option Price to the Optionee for such Shares.

7.2 Acceleration of Expiry Date

If, at any time when an Option granted under the Plan remains unexercised, an Offer is made by an offeror, the Committee may declare, upon notifying each Optionee of full particulars of the Offer, that all Options outstanding under the Plan that have not vested at the time of such declaration are immediately deemed vested and that all Options outstanding under the Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the Optionees exercise such Options before their termination on the date when Shares must be tendered pursuant to the Offer, provided such Offer is completed.

7.3 Effect of a Change of Control

In the event of a Change of Control, all Options outstanding under the Plan that have not vested at the time of such Change of Control will become immediately vested, whereupon Optionees holding such Options may immediately exercise in whole or in part such Options. Furthermore, the Committee may, upon notifying each Optionee of a Change of Control, declare that all Options outstanding under the Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the Optionees exercise such Options before their termination on the date on which the Change of Control occurs, provided such Change of Control does occur.

However, if the Change of Control does not occur, the Shares received upon such exercise may be returned by the Optionee to the Company and the Company shall reinstate such returned Shares as authorized but unissued Shares, reinstate the Option(s) in respect of such returned Shares as if it had not been exercised and reinstate the terms upon which such Shares were to become vested pursuant to the relevant Option Agreement.

If any Shares are returned to the Company under this section 7.3, the Company shall immediately refund the exercise price to the Optionee for such Shares.

8. **BONUS SHARES**

8.1 Allotment and Issuance

The Committee shall have the power and authority in its sole and absolute discretion, to allot, issue and deliver Shares ("**Bonus Shares**"), from time to time in each calendar year, in such amounts as the Committee in its sole and absolute discretion deems fit, in an aggregate quantity of up to ~~2,000,000~~15,000,000 Bonus Shares per annum, to those directors, officers and Service Providers of the Company or any of its subsidiaries whom the Committee, in its sole and absolute discretion, deems to have provided extraordinary contributions to the advancement of the Company.

The Bonus Shares available for distribution in any year will be included for the purposes of calculating the amounts set out in section 3.4 of this Plan.

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8.2 Consideration

The Bonus Shares will be issued in consideration of the fair value of the extraordinary contribution of the Company by the recipient, as determined by the Committee, in its discretion, and shall be issued at a deemed price determined by the Committee at the time of issuance of such Bonus Shares, but such price shall not be less than the Market Price on the trading day immediately preceding the day on which the Bonus Shares are issued. No Bonus Shares shall be issued at a time when it is unlawful to fix the price for such Bonus Shares.

8.3 Committee Discretion

Nothing in this Plan shall require the issue or distribution of any Bonus Shares in any given year or the distribution to any particular person of Bonus Shares at any time. The receipt by a recipient in any year of Bonus Shares shall not create any entitlement to a receipt of Bonus Shares by such recipient in any other year. No person shall have any right to receive a distribution Bonus Shares in a year, whether or not other persons receive Bonus Shares in such other year. The pool of Bonus Shares available for any given year, if not distributed, shall cease to be available at the end of such year and shall not accumulate or be available for any succeeding year.

9. **STOCK APPRECIATION RIGHTS**

9.1 Grants of SARs

The Committee may, from time to time, grant SARs to any Optionee in conjunction with any grant of Options. Each grant of SARs shall be confirmed within the Option Agreement pertaining to such Options.

9.2 Exercise of SARs

An Optionee may only exercise a SAR at the same time, and to the same extent, that the Option related thereto is exercisable. Upon the exercise by an Optionee of any SAR, the corresponding portion of the related Option shall be surrendered to the Company. On the exercise of a SAR, the Optionee shall be entitled to receive such quantity of Shares equal to the excess, if any, of (i) the Market Price of Shares entitled to be acquired upon exercise of such Option as of the date of exercise of the Option, over (ii) the exercise price of such Option. For clarity, and by way of example only, if an Optionee is granted Options to purchase 10,000 Shares at \$1.00, he may choose to exercise such Option and the corresponding SAR when the Company's Shares are trading at \$1.50, and thereby receive in consideration for the surrender of such Option receive 3,333 Shares from the Company $[(10,000 \times \$1.50) - (10,000 \times \$1.00)] / \$1.50$.

9.3 Other Terms

The provisions of this Plan applicable to Options apply equally to SARs, including section 4.3.

No SAR may be exercised beyond the stated Expiry Date of the corresponding Option.

SARs shall terminate and cease to be exercisable on the termination of the corresponding Option. SARs shall not be transferable except to the extent the corresponding Option is transferable.

10. MISCELLANEOUS

10.1 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the Secretary of the Company.

10.2 Right to Employment

Neither this Plan nor any of the provisions hereof shall affect in any way the Optionee's right to continued employment with the Company or its subsidiaries or the Company's right to terminate such employment.

10.3 Amendment and Waiver

Subject to pre-clearance with the Exchange and any other prior regulatory approval where required, the Company may from time to time amend any provisions of the Plan, but no such amendment can impair any of the rights of any Optionee under any Option then outstanding and any material amendment to the Plan or increase in the maximum number of Shares which may be issuable under the Plan as set out in section 3.4 of this Plan will require the approval of shareholders of the Company.

10.4 No Assignment

- (1) Subject to clause 10.4(2) below, Options shall be non-assignable and non-transferable by the Optionee otherwise than by will or the laws of descent and distribution, and shall be exercisable only by the Optionee during the lifetime of the Optionee and only by the Optionee's legal representative after death of the Optionee (to the extent permitted by section 4.3 of this Plan).
- (2) Notwithstanding clause 10.4(1) above, Options may be assigned by an Optionee to whom an Option has been granted to a Permitted Assign of such Optionee, following which such Options shall be non-assignable and non-transferable by such Permitted Assign, except to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and shall be exercisable only by such Permitted Assign during the lifetime of such Permitted Assign and only by such Permitted Assign's legal representative after death of such Permitted Assign (to the extent permitted by section 4.3 of this Plan).

10.5 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

10.6 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

10.7 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to an Option and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE A

TREVALI MINING CORPORATION
OPTION AGREEMENT

This Option Agreement is entered into between Trevali Mining Corporation ("the Company") and the Optionee named below pursuant to the Stock Option and Stock Bonus Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

- (a) on _____, _____ (the "Grant Date");
- (b) _____ (the "Optionee");
- (c) was granted the option to purchase _____ Common Shares (the "Option Shares") of the Company;
- (d) for the price (the "Option Price") of \$ _____ per share;
- (e) which will become exercisable up to, but not after _____, _____ (the "Expiry Date"), as follows:
 - (i) up to _____ Option Shares after _____;
 - (ii) up to _____ Option Shares after _____;
 - (iii) up to _____ Option Shares after _____; and
 - (iv) up to _____ Option Shares after _____.
- (f) to which Stock Appreciation Rights do / do not (circle applicable choice) apply,

all on terms and subject to the conditions set out in the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ____ day of _____, _____.

TREVALI MINING CORPORATION

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Optionee

By: _____
 Authorized Signatory