

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**ITEM 1: NAME AND ADDRESS OF COMPANY**

U.S. Silver & Gold Inc. ("**U.S. Silver & Gold**")  
145 King Street West, Suite 2870  
Toronto, ON M5H 1J8

**ITEM 2: DATE OF MATERIAL CHANGE**

November 7, 2014

**ITEM 3: NEWS RELEASE**

A joint news release with respect to the material change referred to in this report was issued by U.S. Silver & Gold and Scorpio Mining Corporation ("**Scorpio Mining**") on November 7, 2014 via CNW Group Ltd. and filed on SEDAR. A copy of the news release is attached as Schedule "A".

**ITEM 4: SUMMARY OF MATERIAL CHANGE**

On November 7, 2014, U.S. Silver & Gold and Scorpio Mining announced that they have entered into a definitive agreement (the "**Arrangement Agreement**") to complete a merger of equals that will combine their respective businesses (the "**Transaction**") by way of a statutory plan of arrangement. Pursuant to the terms of the Arrangement Agreement, shareholders of U.S. Silver & Gold will receive 1.68 common shares of Scorpio Mining ("**Scorpio Mining Shares**") for each common share of U.S. Silver & Gold ("**U.S. Silver & Gold Shares**") held. Shareholders of Scorpio Mining will not have to exchange their Scorpio Mining Shares in the Transaction. Upon completion of the Transaction, there will be approximately 335 million Scorpio Mining Shares outstanding, of which former shareholders of Scorpio Mining will own approximately 59% and former shareholders of U.S. Silver & Gold will own approximately 41%.

All references to dollar amounts herein are to Canadian dollars.

**ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE**

On November 7, 2014, U.S. Silver & Gold and Scorpio Mining announced that they have entered into the Arrangement Agreement to complete a merger of equals that will combine their respective businesses to create a leading junior silver producer in the Americas.

Under the terms of the Transaction, which will be effected by a statutory plan of arrangement, shareholders of U.S. Silver & Gold will receive 1.68 Scorpio Mining Shares for each U.S. Silver & Gold Share held. Shareholders of Scorpio Mining will not have to exchange their Scorpio Mining Shares in the Transaction. Upon completion of the Transaction, there will be approximately 335 million Scorpio Mining Shares outstanding, of which former shareholders of Scorpio Mining will own approximately 59% and former shareholders of U.S. Silver & Gold will own approximately 41%. The Transaction values the combined company at \$65 million on a basic basis.

The Arrangement Agreement contemplates that (a) the outstanding options of U.S. Silver & Gold will be exchanged for options of Scorpio Mining based on the exchange ratio, (b) the outstanding restricted share units of U.S. Silver & Gold will be adjusted based on the exchange ratio with future pay-outs based on the trading price of Scorpio Mining Shares and (c) the outstanding warrants of U.S. Silver & Gold will become exercisable for Scorpio Mining Shares based on the exchange ratio.

### Highlights of the Transaction

- ***Diversified production base:*** Sustainable annual production of approximately 4.5 - 5.0 million silver equivalent ounces from Scorpio Mining's Cosalá District operations in Sinaloa, Mexico and U.S. Silver & Gold's Galena Complex in Idaho, USA.
- ***Improving cash cost profile:*** Cash costs expected to decline as current operations and brownfield development assets are optimized and G&A synergies are realized.
- ***Proven management team:*** Extensive experience in all critical mining disciplines with demonstrated capabilities in financing, acquiring, developing and operating open pit and underground mines.
- ***Solid financial position:*** Pro forma net working capital of approximately \$40 million (including approximately \$21 million in cash)<sup>1</sup> with greater access to capital to fund future growth initiatives.
- ***Robust reserve and resource base:*** Supports sustainable operations at current prices with further potential profitable expansion at higher prices from earlier stage internal projects.
- ***Enhanced market presence:*** The larger company is expected to appeal to a broader institutional shareholder base, increase analytical following and improve share trading liquidity.
- ***Compelling value proposition:*** Leading leverage among junior silver producer equities and attractive relative valuation on net asset value and cash flow multiples.

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<sup>1</sup> As at September 30, 2014, assuming a US/CDN exchange rate of 0.88.

## **Management Team and Board of Directors**

The combined management team will be led by Darren Blasutti, who will assume the title of President and Chief Executive Officer and will draw from the expertise of both companies. Upon completion of the Transaction, the new Board will be comprised of Mr. Blasutti together with four directors from each of Scorpio Mining and U.S. Silver & Gold. Scorpio Mining founder Peter Hawley will be Chairman of the combined company. Biographies of the proposed directors are included in an attachment to the news release attached as Schedule "A".

## **Optimized Corporate Structure and Asset Base**

The Transaction is supported by strong intrinsic value-creation opportunities that, if realized, would provide mutual benefits to the shareholders of both Scorpio Mining and U.S. Silver & Gold.

Single asset mining companies are not efficient in the current market environment and the proposed merger represents an effort to create a stronger combined entity that has the ability to:

- ***Eliminate duplicate corporate and mine site G&A costs:*** Management believes that this could save the combined company approximately \$2.0 - \$3.0 million per annum.
- ***Optimize current operations and development opportunities:*** In the last two years, the U.S. Silver & Gold team reduced all-in sustaining cash costs by almost 50% at its Galena Complex by implementing strict cost controls and productivity enhancements. Based on detailed mutual due diligence, U.S. Silver & Gold and Scorpio Mining believe there is an opportunity to further improve profitability across the combined asset base through operational improvements, some of which are already being implemented, that could result in an additional \$2.0 - \$3.0 million of cost savings per annum.
- ***Allocate capital efficiently:*** Management plans to allocate existing financial resources over a larger universe of opportunities, not only internally, but to potentially take advantage of opportunities arising from historically low valuations in the precious metals sector.

U.S. Silver & Gold management has intensively reviewed Scorpio Mining's El Cajón asset as part of its due diligence process, including the potential boundary movement and related impact to mineral resources. While the final location of the concession boundary remains subject to confirmation, based on its review of the current facts, U.S. Silver & Gold has assumed a potential reduction of total resources at El Cajón of 40% to 50% for purposes of evaluating the Transaction. Despite this, U.S. Silver & Gold believes that pending production from the continued development of El Cajón will contribute positive cash flows for three to four years at current silver prices and will efficiently bridge the development of the 120 Zone at San Rafael in the next two years through shared El Cajón infrastructure. This operating scenario was used by U.S. Silver & Gold as a basis

for the relative valuation discussion and exchange ratio determination between the two companies.

### **Board of Directors' Recommendations**

The board of directors of each company has determined that the proposed Transaction is in the best interests of their respective shareholders based on a number of factors, including the recommendation of Scorpio Mining's special committee and fairness opinions received from their respective financial advisors. Each company's board of directors unanimously approved the terms of the Transaction and recommends that their respective shareholders vote in favor of the Transaction. GMP Securities L.P. and Morrison Park Advisors Inc. provided fairness opinions to the board of directors of U.S. Silver & Gold and Scorpio Mining, respectively.

### **Further Details of the Transaction**

Each of the officers and directors of Scorpio Mining and U.S. Silver & Gold has consented to enter into an agreement supporting the Transaction pursuant to which they will vote any common shares of the companies that are held by them in favor of the approval of the Transaction.

In addition, Tocqueville Asset Management, L.P., which holds or controls approximately 15.9% of the outstanding Scorpio Mining Shares, and Sprott Asset Management LP, which, together with Eric Sprott, holds or controls approximately 19.6% of the outstanding U.S. Silver & Gold Shares and approximately 1.6% of the outstanding Scorpio Mining Shares, have entered into lock-up agreements and have agreed to vote in favor of the Transaction.

The Transaction will be carried out by way of court-approved plan of arrangement under the *Business Corporations Act* (Ontario). In order to be completed, the Transaction requires the approval of at least 66 $\frac{2}{3}$ % of the votes cast by shareholders of U.S. Silver & Gold represented in person or by proxy at a special meeting of the shareholders of U.S. Silver & Gold to be called to consider the plan of arrangement. Approval by a simple majority of votes cast by Scorpio Mining shareholders will also be required at a special meeting of the shareholders of Scorpio Mining that will be held to consider the issuance of Scorpio Mining Shares in connection with the Transaction. In addition, the Transaction will be subject to the approval of the Toronto Stock Exchange.

The Arrangement Agreement includes customary provisions including, among other things, reciprocal non-solicitation covenants, fiduciary outs and rights to match any superior proposal. In the event that a party wishes to terminate the Agreement in order to support an alternative proposal, such party is obligated to pay to the other party an amount equal to 4% of its equity value as a termination payment. Expense reimbursement of \$1 million is payable by a party in the event that approval from its shareholders is not obtained.

Full details of the Transaction will be included in the management information circular of U.S Silver & Gold, which is expected to be filed and mailed to U.S. Silver & Gold shareholders in mid-November 2014, for a meeting in mid-December 2014. The Transaction is expected to close prior to year end.

A copy of the Arrangement Agreement is being filed on SEDAR concurrently with this report.

**ITEM 6: RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7: OMITTED INFORMATION**

Not applicable.

**ITEM 8: EXECUTIVE OFFICER**

For further information, please contact:

Darren Blasutti  
President and Chief Executive Officer  
416-848-9503

**ITEM 9: DATE OF REPORT**

November 17, 2014.

**U.S. SILVER & GOLD INC.**

by (signed) Peter McRae  
Name: Peter J. McRae  
Title: Vice President, General Counsel

**SCHEDULE "A"**  
**NEWS RELEASE**

See attached.

## **Scorpio Mining and U.S. Silver & Gold Announce Business Combination to Create a Well-Funded Junior Silver Producer**

**Toronto, November 7, 2014** – Scorpio Mining Corporation (“Scorpio Mining”) (TSX: SPM) and U.S. Silver & Gold Inc. (“U.S. Silver & Gold”) (TSX: USA) are pleased to announce that they have entered into a definitive agreement (the “Agreement”) to complete a merger of equals that will combine their respective businesses (the “Transaction”) to create a leading junior silver producer in the Americas.

The combined company will continue under the name of Scorpio Mining Corporation and is positioned to have a strong operating platform with two established producing mines, a third mine in development, an advanced stage exploration project, and pro forma net working capital of approximately C\$40 million (including approximately C\$21 million in cash)<sup>1</sup>. In addition, the combined company will be led by a highly experienced management team and Board of Directors that will focus on efficiently executing a combined business plan, further reducing costs and optimizing operations given current market conditions and evaluating accretive growth opportunities.

Under the terms of the Transaction, which will be effected by a statutory plan of arrangement, shareholders of U.S. Silver & Gold will receive 1.68 common shares of Scorpio Mining for each share of U.S. Silver & Gold held. Shareholders of Scorpio Mining will not have to exchange their shares of Scorpio Mining in the transaction. Upon completion of the Transaction, the combined company will have approximately 335 million common shares outstanding, of which former shareholders of Scorpio Mining will own approximately 59% and former shareholders of U.S. Silver & Gold will own 41%. The Transaction values the combined company at C\$65 million on a basic basis.

### **Highlights of the Transaction**

Key investment highlights of the combined company include:

- **Diversified production base:** Sustainable annual production of approximately 4.5 - 5.0 million silver equivalent ounces from Scorpio Mining’s Cosalá District operations in Sinaloa, Mexico and U.S. Silver & Gold’s Galena Complex in Idaho, USA.
- **Improving cash cost profile:** Cash costs expected to decline as current operations and brownfield development assets are optimized and G&A synergies are realized.
- **Proven management team:** Extensive experience in all critical mining disciplines with demonstrated capabilities in financing, acquiring, developing and operating open pit and underground mines.
- **Solid financial position:** Pro forma net working capital of approximately C\$40 million (including approximately C\$21 million in cash)<sup>1</sup> with greater access to capital to fund future growth initiatives.
- **Robust reserve and resource base:** Supports sustainable operations at current prices with further potential profitable expansion at higher prices from earlier stage internal projects.

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<sup>1</sup> As at September 30, 2014, assuming a US/CDN exchange rate of 0.88

- **Enhanced market presence:** The larger company is expected to appeal to a broader institutional shareholder base, increase analytical following and improve share trading liquidity.
- **Compelling value proposition:** Leading leverage among junior silver producer equities and attractive relative valuation on net asset value and cash flow multiples.

### **Management Team and Board of Directors**

The combined management team will be led by Darren Blasutti, who will assume the title of President and Chief Executive Officer and will draw from the expertise of both companies. Upon completion of the Transaction, the new Board will be comprised of Mr. Blasutti together with four directors from each of Scorpio Mining and U.S. Silver & Gold. Scorpio Mining founder Peter Hawley will be Chairman of the combined company. Biographies of all proposed directors are included in an attachment to this press release.

“This merger creates a stronger, better positioned company that is capable of not only surviving the current low silver price environment, but potentially transitioning from a junior precious metals company to an intermediate producer over the next couple of years,” stated Darren Blasutti, President and Chief Executive Officer of U.S. Silver & Gold. “The diversified low risk asset base, solid financial position, enhanced capital markets profile and proven abilities of the combined management team and Board make this a compelling and unique value proposition for all shareholders.”

Ewan Mason, current Chairman of Scorpio Mining, added: “As we look to expand our operating portfolio, we have a strong combined management team that has a very recent track record of significantly reducing operating costs. Management of the combined company will aim to surface tangible near-term cost savings through realization of G&A synergies, focus on cost control, and a systematic review of operations to achieve improved productivity and operational efficiencies at its existing assets. We see this business combination as the first step towards building a leading precious metal producer in the Americas.”

### **Optimized Corporate Structure and Asset Base**

The Transaction is supported by strong intrinsic value-creation opportunities that if realized, would provide mutual benefits to the shareholders of both Scorpio Mining and U.S. Silver & Gold.

Single asset mining companies are not efficient in the current market environment and the proposed merger represents an effort to create a stronger combined entity that has the ability to:

- **Eliminate duplicate corporate and mine site G&A costs:** Management believes that this could save the combined company approximately C\$2.0 - C\$3.0 million per annum.
- **Optimize current operations and development opportunities:** In the last two years, the U.S. Silver & Gold team reduced all-in sustaining cash costs by almost 50% at its Galena Complex by implementing strict cost controls and productivity enhancements. Based on detailed mutual due diligence, U.S. Silver & Gold and Scorpio Mining believe there is an opportunity to further improve profitability across the combined asset base through operational improvements, some of which are already being implemented, that could result in an additional C\$2.0 – C\$3.0 million of cost savings per annum.



- **Allocate capital efficiently:** Management plans to allocate existing financial resources over a larger universe of opportunities, not only internally, but to potentially take advantage of opportunities arising from historically low valuations in the precious metals sector.

U.S. Silver & Gold management has intensively reviewed Scorpio Mining's El Cajón asset as part of its due diligence process, including the potential boundary movement and related impact to mineral resources. While the final location of the concession boundary remains subject to confirmation, based on its review of the current facts, U.S. Silver & Gold has assumed a potential reduction of total resources at El Cajón of 40% to 50% for purposes of evaluating the Transaction. Despite this, U.S. Silver & Gold believes that pending production from the continued development of El Cajón will contribute positive cash flows for three to four years at current silver prices and will efficiently bridge the development of the 120 Zone at San Rafael in the next two years through shared El Cajón infrastructure. This operating scenario was used by US Silver & Gold as a basis for the relative valuation discussion and exchange ratio determination between the two companies.

#### **Board of Directors' Recommendations**

The Board of Directors of each company has determined that the proposed Transaction is in the best interests of their respective shareholders based on a number of factors, including the recommendation of Scorpio Mining's Special Committee and fairness opinions received from their respective financial advisors. Each company's Board of Directors unanimously approved the terms of the Transaction and recommends that their respective shareholders vote in favor of the Transaction. GMP Securities L.P. and Morrison Park Advisors Inc. provided fairness opinions to the Board of Directors of U.S. Silver & Gold and Scorpio Mining, respectively.

Each of the officers and directors of Scorpio Mining and U.S. Silver & Gold has consented to enter into an agreement supporting the Transaction pursuant to which they will vote any common shares of the companies that are held by them in favor of the approval of the Transaction. In addition, Tocqueville Asset Management L.P., which holds or controls approximately 15.9% of the outstanding Scorpio Mining common shares, and Sprott Asset Management LP, which together with Eric Sprott, holds or controls approximately 19.6% of the outstanding U.S. Silver & Gold common shares and approximately 1.6% of the outstanding Scorpio Mining common shares, have entered into lock-up agreements and have agreed to vote in favor of the Transaction.

#### **Details of the Transaction**

The Transaction will be carried out by way of court-approved plan of arrangement under the *Business Corporations Act* (Ontario). It requires the approval of at least 66⅔% of the votes cast by shareholders of U.S. Silver & Gold represented in person or by proxy at a special meeting of the shareholders of U.S. Silver & Gold to be called to consider the plan of arrangement. Approval by a simple majority of votes cast by Scorpio Mining shareholders will also be required at a special meeting of the shareholders of Scorpio Mining that will be held in connection with the Transaction. In addition, the Transaction will be subject to the approval of the Toronto Stock Exchange.

The Agreement includes customary provisions including, among other things, reciprocal non-solicitation covenants, fiduciary outs and rights to match any superior proposal. In the event that a party wishes to terminate the Agreement in order to support an alternative proposal, such party is obligated to pay to the other party an amount equal to 4% of its equity value as a termination payment. Expense reimbursement of C\$1 million is payable by a party in the event that approval from its shareholders is not obtained.

### **Timing**

Scorpio Mining and U.S. Silver & Gold expect to mail shareholder information circulars in mid-November 2014 and plan to hold their respective shareholder meetings in mid-December 2014. The Transaction is expected to close prior to year end.

### **Advisors and Counsel**

GMP Securities L.P. is acting as financial advisor to U.S. Silver & Gold and Davies Ward Phillips & Vineberg LLP is acting as legal counsel. Medalist Capital Inc. acted as a strategic advisor.

Morrison Park Advisors Inc. is acting as financial advisor to Scorpio Mining and Irwin Lowy LLP is acting as legal counsel.

### **Qualified Persons**

Mr. Daren Dell, Vice President, Technical Services of U.S. Silver & Gold is a Qualified Person under National Instrument 43-101 and has approved the applicable contents of this news release.

Scorpio Mining's President and CEO, Mr. Pierre Lacombe, Eng., is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the applicable contents of this news release.

### **Conference Call**

A joint conference call will be held on Monday, November 10, 2014 at 9:00 am ET to discuss the Transaction. An investor presentation will be available on each company's website prior to the call. The call-in details are as follows:

- Local and International: +1 416 981 9001
- Canada and USA toll-free: 800 763 5728

Please dial-in 15 minutes prior to the start of the call to secure a line. You will be put on hold until the call begins. A replay will be available on both company websites approximately two hours following the end of the call.

### **About Scorpio Mining Corporation**

Scorpio Mining Corporation (TSX:SPM) is a Canadian-based silver producer with significant base metal by-product credits. The 100% owned Nuestra Señora Mine in the Cosalá District of Sinaloa State, Mexico, has flexible mining methods and diversified metal production. It has a fully mechanized

underground operation and a processing facility permitted for expansion to 4,000 tonnes per day. The plant produces zinc, copper and lead concentrates - two of which contain a significant silver component that contributes ~50% of the revenue from metal payable.

Scorpio's opportunity for growth lies within the Cosalá District, where Scorpio controls over 26,000 hectares covering multiple exploration targets, advanced deposits and historically producing mines. Outside of Cosalá, Scorpio holds two high-grade silver properties in the Parral District of Chihuahua and Durango States. The Company continues to focus on internal growth through development of its deposits and aggressive exploration programs.

#### **About U.S. Silver & Gold Inc.**

U.S. Silver & Gold (TSX:USA) is a silver and gold mining company focused on profitable production from its existing asset base and execution of targeted accretive acquisitions. It owns and operates the Galena Mine Complex in the heart of the Silver Valley/Coeur d'Alene Mining District, Shoshone County, Idaho, which produces high-grade silver and is the second most prolific silver mine in U.S. history, delivering over 250 million ounces to date. U.S. Silver & Gold also owns the Drumlummon Mine Complex in Lewis and Clark County, Montana.

#### **Cautionary Statement on Forward-Looking Information**

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, expectations, intentions, plans, assumptions and beliefs with respect to, among other things, the Transaction, the combined company following completion of the Transaction and its operations, and the assumption for the reduction of total resources at El Cajón utilized by U.S. Silver & Gold for purposes of evaluating the Transaction. Often, but not always, forward-looking information can be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may", "assume" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions, or statements about future events or performance. Forward-looking information is based on the opinions and estimates of the applicable company as of the date such information is provided and is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the applicable company to be materially different from those expressed or implied by such forward looking information. This includes the ability to develop and operate the properties of the combined company, risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital expenditures, reclamation activities, social and political developments and other risks of the mining industry. Although each of Scorpio Mining and U.S. Silver & Gold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Readers are cautioned

not to place undue reliance on such information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific those contribute to the possibility that the predictions, forecasts, and projections of various future events will not occur. Each of Scorpio Mining and U.S. Silver & Gold undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law. Readers are also cautioned that the assumption for the reduction in total resources at El Cajón utilized by U.S. Silver & Gold for purposes of evaluating the Transaction is an assumption of U.S. Silver & Gold only, and is not a statement of, or otherwise endorsed by, Scorpio Mining, and the actual reduction in total resources at El Cajón may differ materially from the assumption of U.S. Silver & Gold, including because the concession boundaries underlying the El Cajón deposit have not yet been confirmed by the Dirección General de Regulación Minera and the technical work to determine resources based on such confirmed boundaries has not yet been conducted. Scorpio Mining intends to prepare an updated mineral resource estimate for its El Cajón deposit and a revised technical report, prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, following the Dirección General de Regulación Minera's final confirmation of the concession boundaries underlying the El Cajón deposit.

**For further information, please contact:**

For Scorpio Mining:

Hemdat Sawh

Chief Financial Officer

416-585-2200 X 102

[scorpio@scorpiomining.com](mailto:scorpio@scorpiomining.com)

For U.S. Silver & Gold:

Darren Blasutti

President and CEO

416-848-9503

Nicole Richard

Investor Relations

416-848-9503

## **PROPOSED BOARD OF DIRECTORS FOR THE COMBINED COMPANY**

### **Peter J. Hawley, BSc, BEng, PGeo**

#### **Chairman**

Mr. Hawley has over 30 years of experience in the exploration and mining industry. He has worked as a consulting geologist to a large number of intermediate and senior mining companies including Teck Corporation, Noranda Inc, Placer Dome Inc and Barrick Gold. Mr. Hawley is the founder of Scorpio Mining Corporation and current CEO of Scorpio Gold Corporation.

### **Darren Blasutti**

Mr. Blasutti is currently the President and CEO of U.S. Silver & Gold and will serve in this role for the combined Company. He was formerly the President and CEO of RX Gold & Silver Inc. Prior to that was Senior Vice President of Corporate Development at Barrick Gold, where he reported to the CEO and played a lead role in the strategic development for over 13 years. While at Barrick, Mr. Blasutti executed over 25 gold mining transactions including the acquisition of Homestake Mining Company and Placer Dome Inc. and the consolidation of the world class Cortez property from Rio Tinto. He also led the creation of Barrick Energy Inc. to hedge the Company's exposure to energy prices and was integral to the initial public offering of African Barrick Gold. During his tenure at Barrick, Mr. Blasutti also led the Investor Relations function. He was previously at PwC Canada where he planned, supervised and managed audits for a variety of clients. Mr. Blasutti is a member of the Canadian Institute of Chartered Accountants and a director of Noront Resources Ltd.

### **Alex Davidson**

Mr. Davidson is currently a corporate director and was formerly Executive Vice President, Exploration and Corporate Development at Barrick Gold with responsibility for the Company's international exploration programs and corporate development activities. Mr. Davidson joined Barrick in 1993 as Vice-President Exploration with responsibility for expanding the exploration program. He initiated the Company's expansion into Latin America and beyond. Prior to joining Barrick, Mr. Davidson was Vice-President, Exploration for Metall Mining Corporation. Mr. Davidson has over 25 years' experience in designing, implementing and managing gold and base metal exploration and acquisition programs throughout the world. In 2005, he was presented the A.O. Dufresne Award by the Canadian Institute of Mining, Metallurgy and Petroleum to recognize exceptional achievement and distinguished contributions to mining exploration in Canada. In 2003, Mr. Davidson was named Prospector of the Year by the Prospectors and Developers Association of Canada in recognition of his team's discovery of the Lagunas Norte Project in the Alto Chicama District in Peru. Mr. Davidson is also a director of MBAC Fertilizer Corp., Capital Drilling Limited, Amara Mining plc, Orca Gold Inc. and Yamana Gold Inc.

### **Alan Edwards**

Mr. Edwards serves on the board of directors and is President of AE Consulting Corp. He also serves on the board of directors for Entrée Gold Inc., AuRico Gold Inc. (Chairman), Oracle Mining Corporation (Chairman), and AQM Copper Inc. (Chairman). From September 2012 to July 2013, he was CEO of Oracle Mining; from 2009 to May 2011, he was President and CEO of Copper One Inc.; and from 2007 to 2009,

he was President and CEO of Frontera Copper Corporation. Mr. Edwards holds an MBA from the University of Arizona and a B.S. in Mining Engineering also from the University of Arizona.

**Bradley R. Kipp, HBA, CFA, CPA CA**

Mr. Kipp has over 18 years of experience in the mining sector specializing in operations, corporate finance and public company reporting. In 1997 he joined a mining development company as Vice-President, Finance and has been involved in the financing and development of emerging and start-up mineral projects focused primarily in southern Africa, Mexico and Myanmar. As part of these activities he is, or has been, Chief Financial Officer and/or Director of several public companies listed on both the Toronto and London AIM stock exchanges.

**Ewan Mason, HBSc, MBA**

Mr. Mason began his career as a contract geologist working for a number of mining companies. Following receipt of his MBA in 1992, he embarked on a corporate banking career with the Bank of Nova Scotia, focusing on project financing. Recruited by Richardson Greenshields in 1995 (acquired by RBC in 1996), Mr. Mason rose to the role of Managing Director. In 2005, he was recruited by TD Securities to start up and head their mining investment banking team, which he led until May 2009.

**Thomas McGrail, BSc, BEng**

Mr. McGrail has over 35 years of experience in the mining industry, most recently as Chief Operating Officer for Scorpio Mining. Prior to joining Scorpio, he was General Manager of the Mulatos Mine for Alamos Gold. His previous positions also include Vice-President of Operations for Aura Minerals with responsibility for their San Andres open-pit mine in Honduras and the Aranzazu underground mine in Mexico, consultant to Cia Minera de Caldas, S.A., General Manager for Desarrollo Minera de Nicaragua, S.A., and President and General Manager of HEMCO de Nicaragua, S.A.

**Gordon Pridham**

Mr. Pridham is Principal of Edgewater Capital and sits on the public company boards of Newalta Corporation (Chairman, Compensation), Titanium Corporation Inc. (Chairman), and Roxgold Inc. He is on the advisory board for Enertech Capital a Clean Tech Venture Fund. Recent activities include the merger of US Silver with RX Gold as Chairman, the sale of Norock Realty to Partners REIT as Chairman of the Special Committee, and the sale of Western Prospector to CNNC as Chairman of the Special Committee. Mr. Pridham has over 25 years of experience in investment banking, capital markets and corporate banking. He has worked in New York, Calgary, Toronto and Hong Kong for global financial institutions and has financed and advised companies in public and private markets across a broad range of industry sectors. He is a graduate of the University of Toronto and the Institute of Corporate Directors program.

**Lorie Waisberg**

Mr. Waisberg is a corporate director currently serving as a director of Chantrell Ventures Corp., Chemtrade Logistics Income Fund, Metalex Ventures Ltd., Primary Energy Recycling Corporation and Tembec Inc. Prior to retirement, Mr. Waisberg served as Executive Vice President, Finance and Administration of Co-Steel Inc., a steel manufacturer. Prior to this, he practiced law with a major Canadian law firm. Mr. Waisberg is accredited as ICD.D by the Institute of Corporate Directors.

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