



Suite #1240, 1140 West Pender Street  
Vancouver, British Columbia, V6E 4G1  
Tel: (604) 681-8030 Fax: (604) 681-8039

---

## INFORMATION CIRCULAR

As at August 2, 2017, unless otherwise noted

### FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS TO BE HELD ON SEPTEMBER 8, 2017

#### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Excelsior Mining Corp. (“**Excelsior**” or the “**Company**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Shareholders of the Company to be held at the time and place and for the purposes set forth in the Notice of Meeting and at any adjournment thereof.

#### PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed Instrument of Proxy is solicited by management of the Company (“Management”).** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company does not reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals, authorization to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Instrument of Proxy are directors or officers of the Company and are nominees of Management. **A Shareholder has the right to appoint a person to attend and act for him/her on his/her behalf at the Meeting other than the persons named in the enclosed Instrument of Proxy. To exercise this right, a Shareholder should strike out the names of the persons named in the Instrument of Proxy and insert the name of his/her nominee in the blank space provided, or complete another proper form of Instrument of Proxy. The completed Instrument of Proxy should be deposited with the Company’s Registrar and Transfer Agent, TSX Trust Company, located at 200 University Avenue, Suite 300, Toronto, ON, M5H 4H1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The Instrument of Proxy must be dated and be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

**In addition to revocation in any other manner permitted by law, a Shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time**

aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Instrument of Proxy is required to be executed as set out in the notes to the Instrument of Proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the Scrutineer at the Meeting as a Shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

## **NON-REGISTERED HOLDERS OF COMPANY'S SHARES**

**Only Shareholders whose names appear in the Company's Central Securities Register (the "Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their common shares of the Company ("Common Shares") in their own name ("Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting.** Beneficial Shareholders who complete and return an Instrument of Proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is similar to that provided to Registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in 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 broker or agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Instrument of Proxy to the clearing agencies and intermediaries for onward distribution. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker 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 broker is identical to the Instrument of Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receive such a form and wish to vote at the Meeting, the Beneficial Shareholder should strike out the Management proxyholder's name in the form and insert the Beneficial Shareholder's name in the blank provided. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and requests Beneficial Shareholders to return the 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 with a Broadridge sticker on it 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. All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

## **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

**On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.**

**If no choice is specified on the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to the matter upon the proxyholder named on the Instrument of Proxy. In the absence of any direction in the Instrument of Proxy, it is intended that the proxyholder named by Management in the Instrument of Proxy will vote the shares represented by the proxy in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular.** The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting.

At the time of printing of this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgement of the nominee.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended December 31, 2016 will be presented to the Shareholders at the Meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

At August 2, 2017, the Company had 167,463,952 Common Shares and no non-voting common shares (“Non-Voting Common Shares”) issued and outstanding.

### **Common Shares**

August 2, 2017 has been determined as the record date as of which holders of Common Shares or their duly appointed proxies are entitled to receive notice of and attend and to one vote per common share at the Meeting. Shareholders desiring to be represented by proxy at the Meeting must deposit their proxies at the place and within the time set forth in the notes to the Instrument of Proxy in order to entitle the person duly appointed by the proxy to attend and vote thereat.

### **Non-Voting Common Shares**

The Non-Voting Common Shares are restricted securities within the meaning of National Instrument 51-102. Non-Voting Common Shares do not carry the right to vote at any meetings of the Shareholders. Non-voting shares may be converted at the option of the holder into Common Shares on the basis of one (1) non-voting common share for one (1) common share of the Company. As the Non-Voting Common Shares are convertible into Common Shares, pursuant to National Instrument 62-104, a take-over bid for the Common Shares must also be made to the holders of the Non-Voting Common Shares.

### **Quorum and Significant Shareholders**

The quorum for a meeting of Shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Other than as set forth below, to the knowledge of the directors or executive officers of the Company, as at August 2, 2017, no Shareholder beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to the Common Shares of the Company.

Greenstone Excelsior Holdings L.P. (“**Greenstone**”) is the beneficial owner of 84,410,897 Common Shares representing approximately 50.4% of the issued and outstanding Common Shares.

### **FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of the ordinary resolution fixing the number of directors on the board of directors of the Company (the “Board of Directors”) at eight (8). Although Management is nominating eight (8) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting. Each director of the Company is elected annually and holds office until the next Annual General Meeting unless that person ceases to be a director before then. Management of the Company proposes to nominate the persons herein listed for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, the Common Shares represented by proxy will, on a poll, be voted for the nominees herein listed. **MANAGEMENT OF THE COMPANY DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY ON ANY POLL FOR THE ELECTION OF ANY PERSON OR PERSONS AS DIRECTOR UNLESS THE SHAREHOLDER HAS SPECIFIED OTHERWISE IN THE PROXY. UNLESS AUTHORITY TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF ALL OF THE NOMINEES.**

The Board of Directors of the Company has adopted a policy (“**Majority Voting Policy**”) stipulating that if the Common Shares voted in favour of the election of a director nominee at a meeting of the Company’s shareholders represent less than a majority of the total Common Shares voted for and voted as withheld at the meeting, the director nominee will submit his resignation promptly after such meeting to the Nominating and Corporate Governance Committee’s consideration. After reviewing the matter, the Nominating and Corporate Governance Committee will make a recommendation to the Board, and the Board’s subsequent decision to accept or reject the resignation offer will be publicly disclosed.

With the exception of exceptional circumstances that would warrant the continued service of the subject director on the Board of Directors, the Corporate Governance Committee shall be expected to accept and recommend acceptance of the resignation by the Board of Directors. Within 90 days following the applicable meeting of the Company’s shareholders, the Board of Directors shall make its decision, on the Corporate Governance Committee’s recommendation and in making its decision the Board of Directors shall be required to accept the resignation of the Subject Director, absent exceptional circumstances. The director nominee will not participate in any Nominating and Corporate Governance Committee or Board deliberations regarding the resignation offer. The Majority Voting Policy does not apply in circumstances involving contested director elections.

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Common Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province or State and Country of Ordinary Residence of Nominee <sup>(9)</sup> and Present Positions with the Company	Principal Occupation and, if not a Presently Elected Director, Occupation during the last Five Years <sup>(9)</sup>	Period from which Nominee has been a Director	Number of Common Shares Held <sup>(1)(2)</sup>
Mark J. Morabito Director, Chairman British Columbia, Canada	Chairman & Chief Executive Officer of King & Bay West Management Corp.	April 4, 2007	2,660,666
Stephen Twyerould <sup>(6)</sup> Director, President, CEO Arizona, USA	President and Chief Executive Officer of the Company.	October 14, 2010	4,676,876
Jay Sujir <sup>(3)(4)</sup> Director British Columbia, Canada	Securities Lawyer.	May 14, 2010	88,889
Colin Kinley <sup>(3)(4)(6)</sup> Director Kansas, USA	President and CEO of Kinley Exploration LLC.	October 14, 2010	Nil
Steven W. Lynn <sup>(4)(5)</sup> Director Arizona, USA	Business Consultant.	February 15, 2012	Nil
Jim Kolbe <sup>(5)</sup> Director Arizona, USA	Senior Advisor, McLarty Associates, Strategic Consulting Firm / President, JTK Consulting, Inc.	February 15, 2012	Nil
Michael Haworth <sup>(3)(6)(8)</sup> Director United Kingdom	Managing Partner with Greenstone Capital LLP.	September 5, 2014	Nil <sup>(7)</sup>
Lord Robin Renwick <sup>(5)(8)</sup> Director United Kingdom	Director, Stonehage Fleming.	October 20, 2014	Nil

- (1) Common shares beneficially owned, directly and indirectly, or over which control or direction is exercised, at the date hereof, based upon the information furnished to the Company by individual directors and officers. Unless otherwise indicated, such Common Shares are held directly. These figures do not include Common Shares that may be acquired on the exercise of any share purchase warrants or stock options held by the respective directors or nominees.
- (2) The directors and nominees, as a group beneficially own, directly or indirectly, 7,426,431 Common Shares of the Company representing 4.4% of the total issued and outstanding Common Shares of the Company.
- (3) Current Member of the Audit Committee of the Company.
- (4) Current Member of the Compensation Committee of the Company.
- (5) Current Member of the Corporate Governance and Nominating Committee of the Company.
- (6) Current Member of the Project Steering Committee of the Company.
- (7) Michael Haworth is the Managing Partner of Greenstone Capital LLP and a director of Greenstone Management Limited, the general partner of Greenstone. Greenstone, is the beneficial owner of 84,410,897 Common Shares representing approximately 50.4% of the issued and outstanding Common Shares.
- (8) Mr. Haworth and Lord Renwick are also nominees of Greenstone which has a contractual right to appoint up to two director nominees to the Board of Directors. While Greenstone holds Common Shares which exceed 10% of the Common Shares outstanding, it has the right to appoint one director nominee (currently Mr. Haworth). While Greenstone holds Common Shares which exceed 15% of the Common Shares outstanding, it has the right to appoint a second director nominee, provided that such director nominee is independent of both the Company and Greenstone (currently Lord Renwick).
- (9) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

Pursuant to the applicable securities legislation, the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditors.

## **PENALTIES AND SANCTIONS**

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity:

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

Other than as disclosed below, no proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any 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.

Other than as disclosed below, no proposed director has individually, within the 10 years prior to this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Shareholder.

Other than as disclosed below, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Sujir was also an independent director of Norwood Resources Ltd. ("**Norwood**") from May 2008 until January 2011. In the last quarter of 2010, the board of directors of Norwood determined that delays through the last quarter of 2010 had made Norwood insolvent and believed that the company was not financeable, and determined that the interests of stakeholders would best be protected by an assignment into bankruptcy. Norwood declared bankruptcy on January 19, 2011. Mr. Sujir resigned as a director of Norwood on January 19, 2011.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, the current Auditors of the Company, were appointed on May 12, 2015.

The persons named in the enclosed Instrument of Proxy will vote for the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as Auditors of the Company, to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the directors.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed under the heading “*Particulars of Other Matters to be Acted Upon*”, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or appointment of auditors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below and under the headings “*Fixing the Number of Directors*” and “*Particulars of Other Matters to be Acted Upon*”, and other than transactions carried out in the ordinary course of business of the Company or its subsidiary, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the most recently completed financial year of the Company or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or its subsidiary.

On September 29, 2016, Excelsior announced that it had entered into a Subscription Agreement with Greenstone for a financing for total gross proceeds of US\$14.0 million. The financing consisted of a private placement of Common Shares (the “**2016 Private Placement**”) for gross proceeds of US\$10 million and the sale of a 1% gross revenue royalty on the Gunnison Project and JCM (the “**2016 Royalty Financing**”) for gross proceeds of US\$4 million.

The 2016 Private Placement and 2016 Royalty Financing required shareholder approval under the rules and policies of the TSX Venture Exchange and applicable Canadian securities laws. Excelsior obtained shareholder approval for the 2016 Private Placement and 2016 Royalty Financing at its annual general and special meeting of shareholders held on October 27, 2016.

On November 23, 2016, Excelsior announced the closing of the 2016 Royalty Financing for gross proceeds of US\$4 million and the closing of the 2016 Private Placement pursuant to which Greenstone purchased 28,860,028 Common Shares of Excelsior at a price of US\$0.3465 (Cdn\$0.45) per Common Share for total gross proceeds of US\$10 million.

As result of the closing of the 2016 Private Placement, Greenstone now holds a total of 84,410,897 Common Shares, which represents approximately 50.4% of Excelsior’s issued and outstanding Common Shares.

## STATEMENT OF EXECUTIVE COMPENSATION

The Company’s Statement of Executive Compensation for the year ended December 31, 2016 was filed on SEDAR on June 22, 2017 under the Company’s profile at [www.sedar.com](http://www.sedar.com). A copy of the Statement of Executive Compensation is attached as Schedule “A” to this Information Circular.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Company are authorized for issuance as of December 31, 2016:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	15,876,000	\$0.22	1,152,068
Equity compensation plans not approved by securityholders <sup>(1)</sup>	Nil	Nil	Nil
<b>Total</b>	<b>15,876,000</b>	<b>\$0.22</b>	<b>1,152,068</b>

<sup>(1)</sup> At December 31, 2016, the Company had a “fixed” stock option plan that reserved for issuance 17,966,400 of the Common Shares for issuance as stock options.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former director, executive officer or senior officer of the Company, employee or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such director, executive officer or senior officer, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

## MANAGEMENT CONTRACTS

Effective May 17, 2010, Excelsior engaged King & Bay West of Suite 1240, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, to provide services and facilities to the Company. King & Bay West is a private company which is owned by Mark Morabito, Director and Non-Executive Chairman of the Company. The following are the executive officers of King & Bay West, all of whom are residents of British Columbia, Canada: Mr. Mark Morabito, Chairman & CEO and Ms. Sheila Paine, Secretary. King & Bay West provides the Company with administrative and management services. The services provided by King & Bay West include shared facilities, accounting, corporate communications, corporate secretarial, legal and corporate development services. The fees for these management services are determined and allocated to the Company based on the cost or value of the services provided to the Company as determined by King & Bay West, and the Company reimburses King & Bay West for such costs on a monthly basis. During the financial year ended December 31, 2016 the Company incurred fees of \$719,422.27 (excluding taxes) to King & Bay West. Of this amount \$522,477.67 was for services provided to the Company by King & Bay West personnel and \$196,944.60 was for overhead and third party costs incurred by King & Bay West on behalf of the Company.

## AUDIT COMMITTEE

For information regarding the Audit Committee, see the Company’s annual information form (the “AIF”) for the year ended December 31, 2016 under the heading, “Audit Committee”, including a copy of the audit committee charter which is attached to the AIF as Schedule “A”. The AIF is available under the Company’s

profile at [www.sedar.com](http://www.sedar.com). During the Company's most recent financial year, the members of the Audit Committee were Michael Haworth, Colin Kinley and Jay Sujir.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

On June 30, 2005, the Canadian Securities Administrators introduced in final form National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”). The Company has reviewed its own corporate governance practices in light of the NP 58-201 guidelines. In certain cases, the Company's practices comply with NP 58-201, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore certain guidelines have not been adopted.

Set out below is a description of certain corporate governance practices of the Company, as required by NI 58-101.

### **Board of Directors**

NP 58-201 recommends that boards of directors of reporting issuers be composed of a majority of independent directors. NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. A majority of the Company's current directors are considered independent. The independent directors are Jay Sujir, Colin Kinley, Steven W. Lynn, Jim Kolbe and Lord Robin Renwick. The non-independent directors are Mark Morabito, Stephen Twyerould and Mike Haworth.

Mark Morabito was the Company's Executive Chairman until January 31, 2016 when he transitioned to become Non-Executive Chairman. Mr. Morabito is also the President & CEO of King & Bay West, and therefore is not considered independent. Stephen Twyerould is the President & CEO of the Company and therefore is not considered independent. Michael Haworth is the Managing Partner of Greenstone Capital LLP and a director of Greenstone Management Limited, the general partner of Greenstone. Greenstone, is the beneficial owner of 84,410,897 Common Shares representing approximately 50.4% of the issued and outstanding Common Shares and has certain rights under the Greenstone IR Agreement. Therefore, Mr. Haworth is not considered independent.

The proposed Board of Directors will have five independent directors: Jay Sujir, Colin Kinley, Steven W. Lynn, Jim Kolbe and Lord Robin Renwick, and three non-independent directors: Mark Morabito, Stephen Twyerould, and Michael Haworth. As a result, a majority of the Board of Directors will be independent. The Board of Directors believes that management is effectively supervised by the independent directors of the Company on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management.

During the year ended December 31, 2016, the independent directors did not hold regularly scheduled meetings at which the non-independent directors and members of management were not in attendance. However, during certain meetings the independent directors held in-camera meetings.

The Chair of the Board of Directors is not an independent director and the Company does not have a lead director. The Board is of the view that appropriate procedures are in place to allow the Board to function independently of management while continuing to provide the Company with the benefit of having a Chair of the Board with extensive experience and knowledge of the Company's business. To facilitate the Board operating independently of management, the following processes are in place:

- the Board can hold in-camera meetings with the non-management directors;

- at Board meetings, members of management, including the President & Chief Executive Officer and Chairman, are not present for the discussion and determination of certain matters;
- under the Company’s Articles any one director may call a Board meeting;
- the compensation of the Named Executive Officers is considered in their absence by the Compensation Committee; and
- in addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate.

### **Directorships**

Currently, the following directors serve on the following boards of directors of other public companies:

<b>Director</b>	<b>Public Corporation Board Membership</b>
Mark J. Morabito	Alderon Iron Ore Corp. Canada Jetlines Ltd.. Logan Resources Ltd. Xineoh Technologies Inc.
Jay Sujir	Carlin Gold Corporation Kootenay Zinc Corp. Libero Mining Corporation Red Eagle Exploration Limited. Red Eagle Mining Corporation Roughrider Exploration Limited Uracan Resources Ltd.
Stephen Twyerould	None
Colin Kinley	Coro Mining Corp. Eco Atlantic Oil and Gas
Steven W. Lynn	None
Jim Kolbe	None
Michael Haworth	Ncondezi Energy Limited Zanaga Iron Ore Company Limited
Lord Robin Renwick	None

### **Orientation and Continuing Education**

The Company provides an orientation program to new directors. This program consists of:

- A detailed briefing with the Chairman.
- A detailed briefing with the President & Chief Executive Officer.
- The Company’s General Counsel providing education regarding directors’ responsibilities, corporate governance issues and recent and developing issues related to corporate governance and regulatory reporting.
- Provision of the Company’s committee charters and corporate governance policies to the new director.

- Access to the Company's independent directors, as required, for the new director to discuss the operation of the Company and the Board.

The Nominating and Corporate Governance Committee reviews, monitors and makes recommendations regarding new director orientation and the ongoing development of existing Directors.

The Company also encourages senior management to participate in professional development programs and courses and supports Management's commitment to training and developing employees. The Board of Directors provides comprehensive information regarding the Company to new directors and continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors.

### **Ethical Business Conduct**

The Board of Directors 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. On September 30, 2014, the Board of Directors adopted a formal written Code of Business Conduct and Ethics (the "Code") which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board endeavors to ensure that directors, officers and employees exercise independent judgement in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest. In addition, in accordance with the *Business Corporations Act* (British Columbia), if a director is a director or officer of, or has a material interest in, any person who is a party to a transaction or proposed transaction with the Company, that director is not entitled to vote on any directors' resolutions in respect of such transaction, in most circumstances. The Nominating and Corporate Governance Committee monitors conflicts of interest of both the Board of Directors and Management in accordance with the Code.

### **Nomination of Directors**

The Company has a Nominating and Corporate Governance Committee that, in consultation with the Chair of the Board and the Chief Executive Officer, is responsible for recruiting and identifying individuals qualified to become new Board members and for recommending to the Board, new director nominees for the annual meeting meetings of shareholders. The Committee also, in consultation with the Chair of the Board, recommends to the Board, the individual Directors to serve on the various committees of the Board.

In making its recommendations for the nomination of a new Board member, the Committee considers the competencies and skills that the Board considers to be necessary to the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee also considers the amount of time and resources that nominees have available to fulfill their duties as a Board member.

The Committee may also recommend for Board approval the removal of a director from the Board or from a Board Committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

The current members of the Nominating and Corporate Governance Committee are Lord Robin Renwick, Jim Kolbe and Steven W. Lynn, all of whom are independent directors.

### **Compensation**

The quantity and quality of the directors' and executive officers' compensation is reviewed on an as needed basis by the Compensation Committee and/or the Board of Directors as a whole. Further details about the

Company's compensation practices are disclosed in the Company's Statement of Executive Compensation for the year ended December 31, 2016 which is attached as Schedule "A" to this Information Circular.

### **Other Board Committees**

The only committee of the Board that the Company has, other than the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee, is the Project Steering Committee. The current members of the Project Steering Committee are Stephen Twyerould, Michael Haworth and Colin Kinley. The purpose of the project steering committee is to assess and review the overall progress of the Company's Gunnison Copper Project, and in particular, to consider and guide the Company in respect of the technical, financing, permitting and stakeholder engagement aspects of the Gunnison Copper Project.

### **Assessments**

The Board of Directors does not, at present, have a formal process in place for assessing the effectiveness of the Board of Directors as a whole, its committees or individual directors. The Board of Directors conducts informal periodic assessments of the effectiveness of the Board of Directors and its individual members and Committees on an ongoing basis.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Approval and Ratification of Stock Option Plan**

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve an amended stock option plan for the Company (the "2017 Plan" or the "Plan") to replace the Company's existing stock option plan (the "2016 Plan") which was last approved by Shareholders at the Company's annual and general meeting of Shareholders held October 27, 2016.

The Company has made certain amendments to the Plan to comply with the policies of the Toronto Stock Exchange ("TSX") since the Company's graduation to the TSX on February 2, 2017. Upon adoption of the 2017 Plan, all of the outstanding options previously granted will be governed by the 2017 Plan.

The 2017 Plan is an evergreen plan which provides that if any option has been exercised, then the number of Common Shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the 2017 Plan.

The key provisions of the Plan can be summarized as follows:

- (a) The maximum number of Common Shares that may be reserved for issuance for all purposes under the Plan is 17,966,400, being approximately 10.73% of the Common Shares issued and outstanding at date of this Information Circular. However, if any option has been exercised, then the number of Common Shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan.
- (b) Currently the Company has options outstanding that will result in 16,036,000 Common Shares being issuable upon the exercise of such options, which represents approximately 9.58% of the current number of issued and outstanding Common Shares.
- (c) The exercise price per Common Share shall be determined by the Board of Directors at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. In the event that the Common Shares are not listed and posted for trading on any stock

exchange or other quotation system, the exercise price shall be the fair market value of the Common Shares as determined by the Board of Directors in its sole discretion.

- (d) The Plan provides that options may be granted to directors, employees, corporations that have a right to nominate a director to the Board of Directors, and consultants of the Corporation or any of its designated affiliates.
- (e) The Plan gives discretion to establish, and modify vesting provisions to the Board of Directors, or a committee established thereby.
- (f) The Plan provides that all outstanding options will immediately vest upon a change of control.
- (g) The Plan provides that where a participant is terminated for any reason other than cause or death, options may be exercised no later than 90 days after the termination date, in the case of termination by reason of death, no later than 12 months following the date of death or disability, by the legal representative(s) of the estate of the participant, and in the case of termination for cause, options expire immediately.
- (h) Any amendment to any provision of the Plan shall be subject to any necessary approvals by any stock exchange or regulatory body having jurisdiction over the securities of the Company. The Plan will require Shareholder approval of certain amendments in accordance with the policies of the TSX, however, the Board of Directors has the discretion to make the following amendments, which it may deem necessary without having to obtain Shareholder approval:
  - (i) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
  - (ii) to correct any ambiguity, defective provisions, error or omission in the provisions of the Plan;
  - (iii) to change the persons who qualify as participants under the Plan;
  - (iv) to change any vesting provisions of options;
  - (v) to change the termination provisions of the options or of the Plan which does not entail an extension beyond the original expiry date of the options; and
  - (vi) to add, or amend the terms of, a cashless exercise feature to the Plan, providing for the payment in cash or securities on the exercise of options;provided, however, that:
  - (vii) no such amendment of the Plan may be made without the consent of such affected Participant (as defined in the Plan) if such amendment would adversely affect the rights of such affected Participant under the Plan; and
  - (viii) Shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment that results in:

1. an increase in the number of shares issuable under options granted pursuant to the Plan;
2. a reduction in the exercise price of an option;
3. an extension of the term of an option granted under the Plan benefiting an insider (within the meaning of the rules of the TSX) of the Company;
4. a change to the insider participation limit set forth in the Plan; or
5. a change to amending provision of the Plan.

Additionally, the Plan contains the following provisions:

- (a) The number of shares issuable to any individual under any security based compensation arrangement of the Company shall not, within a one year period, exceed 5% of the number of shares outstanding immediately prior to the grant of any such option.
- (b) The maximum term for stock options issued pursuant to the Plan cannot exceed 10 years, subject to an automatic extension in the event that the expiry of the term of an option falls within a black out period.
- (c) The number of Common Shares: (i) issued to insiders of the Company, within any one year period, and (ii) issuable to insiders of the Company, at any time, under the Plan, or when combined with all of the Company's other security based compensation arrangements, will not exceed 10% of the Company's total issued and outstanding securities.
- (d) An option is personal to an optionee and non-assignable, subject to limited exceptions as set out in the Plan.
- (e) The Plan also provides for adjustments to outstanding options in the event of any disposition of substantially all of the assets of the Company, dissolution or any merger, amalgamation or consolidation of the Company with or into any other company, or the merger, amalgamation or consolidation of any other company with or into the Company.
- (f) The Plan provides for accelerated vesting and accelerated expiry dates in the events of a take-over bid.
- (g) The Plan allows the Company to withhold from any remuneration otherwise payable to a participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of their participation in the Plan. This provision of the Plan is necessary as a result of certain proposed amendments to the *Income Tax Act* (Canada) relating to the taxation of share options which came into effect on January 1, 2011.
- (h) The Plan contains a cashless exercise feature whereby, at the sole discretion of the Company, an option that is eligible for exercise may be exercised on a cashless basis instead of a participant making a cash payment for the aggregate exercise price of the options. There are two options for a cashless exercise of options that the Company has made available:

- a. *Broker assisted cashless exercise:* The Company shall issue directly to the participant's broker the number of Common Shares in respect of such options exercised for cash and the participant's broker shall, at the election of the participant: (i) sell at market, and retain the proceeds of, a sufficient number of Common Shares to cover the aggregate purchase price of the Common Shares and any withholding obligations in respect of which the option has been exercised, with any cash balance to be delivered to the participant and any remaining Common Shares held by the participant's broker in trust for, or delivered as directed by, the participant; or (ii) sell at market all of the Common Shares in respect of which the option has been exercised and deliver to the participant the cash balance remaining after deducting the aggregate purchase price of such Common Shares and any withholding Obligations.
- b. *Exchange for Substituted Rights:* The participant relinquishes his options in return for a substituted right to acquire from the Company a number of Common Shares determined by the in-the-money amount of option. The in-the-money amount of the option is divided by the market price at the time of exercise and the participant receives a net amount of Common Shares without any cash payment to the Company, other than for withholding obligations.

Currently the Company has options outstanding that will result in 16,036,000 Common Shares being issuable upon the exercise of such options, which represents approximately 9.58% of the current number of issued and outstanding Common Shares and 892,068 options available to be granted under the 2016 Plan, representing approximately 0.533% of the current number of issued and outstanding Common Shares. Assuming the approval of the 2017 Plan, 1,930,400 options will be available to be granted under the 2017 Plan, representing approximately 1.15% of the current number of issued and outstanding Common Shares.

The rules of the TSX require that, if a listed issuer has a stock option plan that does not have a fixed maximum aggregate number of securities issuable under such plan (including an evergreen plan), the shareholders of the listed issuer must approve and re-affirm the unallocated options under the plan every three years. Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the 2017 Plan and all unallocated options under such plan (the "**Stock Option Plan Resolution**"). The Stock Option Plan Resolution requires the approval of a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. At the Meeting Shareholders will be asked to consider and approve the following Stock Option Plan Resolution, with or without modification:

If the Stock Option Plan Resolution is passed, this approval will be effective until September 8, 2020. If approval is not obtained at the Meeting, options which have not been allocated as of September 8, 2017 will not be available for grant. Previously allocated options will be unaffected, but will not be available to be reallocated.

At the Meeting Shareholders will be asked to consider and approve the following Stock Option Plan Resolution, with or without modification:

"RESOLVED, as an Ordinary Resolution, that:

1. The 2017 Plan and all unallocated options issuable pursuant the 2017 Plan be and are hereby approved and authorized until September 8, 2020, being the date that is three years from Shareholder approval of the 2017 Plan;
2. The Company be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the 2017 Plan entitling the option holders to purchase Common Shares of the Company;

3. The Company be and is hereby authorized to abandon or terminate all or any part of the adoption of the 2017 Plan, if the Board of Directors of the Company deems it appropriate and in the best interest of the Company to do so; and
4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

The foregoing resolution must be approved by a simple majority of Shareholders.

The full text of the 2017 Plan will be available for review at the Meeting and may be obtained at the offices of the Company located at Suite 1240, 1140 West Pender Street, Vancouver British Columbia, V6E 4G1, or by contacting the Company by telephone at (604) 681-8030, at any time before the Meeting.

Management recommends that Shareholders vote in favour of the resolution to approve the 2017 Plan and the increase in the number of Common Shares available for issuance under the 2017 Plan. **In the absence of contrary instruction, the persons named in the enclosed Instrument of Proxy intend to vote for the approval of the Stock Option Plan Resolution at the Meeting.**

## **OTHER MATTERS**

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

## **ADDITIONAL INFORMATION**

**Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders can obtain copies of the Company’s financial statements and management discussion and analysis of financial results by sending a request in writing to the Company at 1240, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. Financial information regarding the Company is provided in the Company’s audited comparative financial statements for the years ended December 31, 2016 and 2015 and in the accompanying management discussion and analysis, both of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).**

DATED at Vancouver, British Columbia, this 2<sup>nd</sup> day of August, 2017.

*“Mark J. Morabito”*

---

Mark J. Morabito  
Non-Executive Chairman

SCHEDULE "A"



FORM 51-102F6

STATEMENT OF EXECUTIVE COMPENSATION

EXCELSIOR MINING CORP.  
(the "Company")

(for the year ended December 31, 2016)

DATED JUNE 22, 2017

**Unless otherwise indicated, all amounts disclosed in this Statement of Executive Compensation are in Canadian dollars.**

**Definitions**

For the purpose of this Information Circular:

"**Chief Executive Officer**" or "**CEO**" of the Company means an individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;

"**Chief Financial Officer**" or "**CFO**" of the Company means an individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;

"**Executive officer**" of the Company for the financial year, means an individual who at any time during the year was:

- (a) a chair of the Company;
- (b) a vice-chair of the Company;
- (c) the president of the Company;
- (d) a vice-president of the Company in charge of a principal business unit, division or function, including sales, finance or production; or
- (e) performing a policy-making function in respect of the Company.

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

**“equity incentive plan”** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

**“incentive plan”** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**“incentive plan award”** means compensation awarded, earned, paid, or payable under an incentive plan;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

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

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

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

### **Compensation discussion and analysis**

The Company has a Compensation Committee that is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors, and for reviewing the President and CEO’s recommendations respecting compensation of the other officers of the Company. The Company’s Named Executive Officers are compensated through consulting agreements, employment agreements or management services arrangements. The Compensation Committee does not have a pre-determined compensation plan and does not engage in benchmarking practices.

Compensation for the NEOs is composed of three components: base salary, performance bonuses and stock options. Performance bonuses are considered from time to time. The Compensation Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. The establishment of base salary, award of stock options and performance bonuses is based on subjective criteria including individual performance, level of responsibility, length of service and available market data. The target is for the total compensation package granted to the NEOs to be approximately in the middle range of other comparably sized mining companies, however there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each NEO. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the Compensation Committee,

which takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company and the Board's overall assessment of each NEO's individual performance and contribution towards meeting corporate objectives, levels of responsibility, length of service and industry comparables. Each of these factors is evaluated on a subjective basis.

### ***Base Salary***

In determining the base salary of an executive officer, the Compensation Committee begins its analysis with a recommendation from the President and CEO of the Company and also places weight on the following factors: the particular responsibilities related to the position; the experience level of the executive officer; the difficulties in recruiting new talent; and his or her overall performance. During the financial year ended December 31, 2016, the annual base consulting fees for services provided by Stephen Twyerould, the President and CEO were US\$285,000, the annual base consulting fees for services provided by Roland Goodgame, Executive Vice President, were US\$220,000, the annual base consulting fees/salary for services provided by Rebecca Sawyer, Vice President, Sustainability were US\$150,000 and the annual base salary for Mark Distler, CFO were US\$165,000.

Carlo Valente, the CFO of the Company for a portion of the financial year ended December 31, 2016, did not receive compensation directly from the Company, except for grants of options. Mr. Valente was an employee King & Bay West Management Corp. ("**King & Bay West**"), a company that provides management services to the Company. King & Bay West invoices the Company on a monthly basis for fees for management services provided which are determined based on the usage of such services by the Company.

### ***Bonus Payments***

Executive officers are eligible for annual cash bonuses. The Compensation Committee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the Compensation Committee uses informal goals typical for exploration and development stage companies such as strategic acquisitions, advancement of exploration, operations and development, equity and debt financings and other transactions and developments that serve to increase the Company's valuation. Precise goals or milestones are not pre-set by the Compensation Committee. During the three most recently completed financial years, the Company's focus has been on deploying its capital to advance the Gunnison Copper Project and it has not paid any discretionary cash bonuses during this period except for a signing bonus that was paid to Rebecca Sawyer in connection with her transitioning from a consultant to a full-time employee of the Company.

### ***Long-Term Incentives***

The Company believes that granting stock options and shares to key personnel encourages retention and more closely aligns the interests of executive management with the intent of Shareholders. The inclusion of options in compensation packages allows the Company to compensate employees while not drawing on limited cash resources. Further, the Company believes that the option component serves to further align the interests of management with the interests of the Company's Shareholders. The amount of options to be granted is based on the relative contribution and involvement of the individual in question, as well as taking into consideration previous option grants. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of stock based compensation (if any) to be granted and the Company does not focus on any particular performance metric. During the financial year ended December 31, 2016, the Company granted a total of 200,000 stock options to its Named Executive Officers.

### ***Hedging Restrictions***

The Company does not have any policies that restrict a NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director except that NEOs and directors are prohibited from undertaking any of the following activities under the Company's Insider Trading Policy:

- speculating in securities of the Company, which may include buying with the intention of quickly reselling such securities, or selling securities of the Company with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Company's stock option plan or any other Company benefit plan or arrangement);
- buying the Company's securities on margin;
- short selling a security of the Company or any other arrangement that results in a gain only if the value of the Company's securities declines in the future;
- selling a "call option" giving the holder an option to purchase securities of the Company; and
- buying a "put option" giving the holder an option to sell securities of the Company.

### ***Risk Management and Assessment***

With respect to the management of risk, the Board takes a conservative approach to executive compensation, rewarding individuals with additional performance-based compensation dependent upon the success of the Company and when such success can be demonstrated. The Compensation Committee is responsible for reviewing the Company's compensation program to ensure that risks are identified and mitigated to the extent possible. Care is taken in measuring this success, while ensuring it is achieved within normal operating procedures and standards, including those related to the environment, health, safety and sustainable development.

The nature of the business and the competitive environment in which the Company operates requires some level of risk-taking to achieve growth and desired results in the best interest of stakeholders. The Company's executive compensation program seeks to encourage behaviours directed towards increasing long-term value, while limiting incentives that promote excessive risk taking.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and for the current fiscal year it has started to adopt certain pre-defined targets associated with bonus payments. As the Company continues to a more advanced stage of development, it is expected that the Compensation Committee will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views stock options as a valuable tool for aligning the interest of management and Shareholders in the long term growth and success of the Company. The Company is aware that stock option grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long term success of the Company. In order to mitigate this risk, option grants are generally subject to vesting period of two years from the date of grant.

## **Compensation Governance**

### **Compensation Committee**

#### *Members and Independence*

During the financial year ended December 31, 2016, the Compensation Committee was comprised of three directors of the Company, Colin Kinley, Jay Sujir and Steven Lynn, all of whom are currently independent of the Company for purposes of applicable securities laws. Currently, the compensation Committee consists of Colin Kinley, Jay Sujir and Steven Lynn.

#### *Skills and Experience*

The Board believes that each current and former member of the Compensation Committee possesses skills and experience relevant to the mandate of the Compensation Committee. In addition, the members of the Compensation Committee each have skills and experience that enable them to make decisions on the suitability of the Company's compensation policies and practices.

<b>Committee Member</b>	<b>Relevant Skills and Experience</b>
Colin Kinley	Mr. Kinley spent 26 years as an executive for Layne Christensen Company specializing in engineered drilling and resource development projects and he is currently an executive of several companies focused on oil or mineral resource exploration and development. Based on his experience with several different resource companies, Mr. Kinley has developed significant knowledge with respect to executive compensation policies and procedures.
Jay Sujir	Mr. Sujir is a securities lawyer and a partner in the law firm of Farris Vaughan Wills & Murphy LLP. He has acted and continues to act as counsel for numerous companies in the mining sector. Mr. Sujir routinely advises publicly traded mineral resource companies on executive compensation matters and has developed significant knowledge in this area. Mr. Sujir is also a director of several other junior resource companies.
Steven Lynn	Mr. Lynn is the Chief Strategy Officer for Strongpoint Marketing. He retired from his position as Vice President and Chief Customer Officer at both UniSource Energy Corporation and Tucson Electric Power Company (TEP) at the end of 2011. Mr. Lynn joined UniSource Energy and TEP in 2000. Prior to that, he spent sixteen years as CEO and owner-partner at Nordensson Lynn & Associates, Inc., one of Arizona's leading marketing and communications firms based in Tucson.

#### *Responsibilities, Powers and Operation*

The Compensation Committee's primary function to assist the Board of Directors in fulfilling its oversight responsibilities by:

- Reviewing and approving and then recommending to the Board of Directors salary or consulting fees, bonuses, and other benefits, direct or indirect, and any change-of-control packages of the Company's executive officers;
- Reviewing compensation of the Board of Directors;
- Administration of the Company's compensation plans, including stock option plans, outside directors compensation plans, and such other compensation plans or structures as are adopted by the Company from time to time;
- Research and identification of trends in employment benefits; and

- Establishment and periodic review of the Company’s policies in the area of management benefits and perquisites based on comparable benefits and perquisites in the mining industry.

Meetings of the Compensation Committee are held from time to time as the Compensation Committee or the Chairman of the Compensation Committee shall determine. The Compensation Committee may ask members of Management or others to attend meetings or to provide information as necessary. The Compensation Committee is permitted to retain and terminate the services of outside compensation specialists and other advisors to the extent required, and has the sole authority to approve their fees and other retention terms.

#### *Compensation Advisor*

The Company has not, at any time since the Company’s most recently completed financial year, retained a compensation consultant or advisor to assist the Board or Compensation Committee in determining the compensation of any of the Company’s directors or executive officers.

#### **Summary Compensation Table**

The following table contains information about the compensation paid to, or earned by, those who were during the fiscal year ended December 31, 2016 the Company’s Named Executive Officers. The Company had five Named Executive Officers during the fiscal year ended December 31, 2016, namely Stephen Twyerould, Roland Goodgame, Mark Distler, Carlo Valente and Rebecca Sawyer.

Name and principal position)	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Stephen Twyerould <sup>(1)</sup> CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	382,669 <sup>(10)</sup>	382,669
	2015	Nil	Nil	426,386 <sup>(7)</sup>	Nil	Nil	Nil	394,440 <sup>(11)</sup>	820,826
	2014	Nil	Nil	Nil	Nil	Nil	Nil	240,237 <sup>(12)</sup>	240,237
Roland Goodgame <sup>(2)</sup> Executive Vice President	2016	Nil	Nil	Nil	Nil	Nil	Nil	295,394 <sup>(10)</sup>	295,394
	2015	Nil	Nil	325,155 <sup>(7)</sup>	Nil	Nil	Nil	304,480 <sup>(11)</sup>	619,635
	2014	Nil	Nil	Nil	Nil	Nil	Nil	202,051 <sup>(12)</sup>	202,051
Carlo Valente <sup>(3)</sup> CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	35,076	35,076
	2015	Nil	Nil	Nil	Nil	Nil	Nil	99,719	99,729
	2014	Nil	Nil	Nil	Nil	Nil	Nil	10,359	10,359
Rebecca Sawyer <sup>(4)</sup> Vice President, Sustainability	2016	30,980	Nil	Nil	Nil	Nil	Nil	116,367 <sup>(10)</sup>	147,347
	2015	Nil	Nil	93,321 <sup>(7)(8)</sup>	Nil	Nil	Nil	179,930 <sup>(11)</sup>	273,24
	2014	Nil	Nil	50,708 <sup>(9)</sup>	Nil	Nil	Nil	22,490 <sup>(12)</sup>	73,198
Mark Distler <sup>(5)</sup> CFO	2016	176,929 <sup>(10)</sup>	Nil	53,583 <sup>(6)</sup>	Nil	Nil	Nil	Nil	230,512
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Twyerould was appointed CEO on October 14, 2010. Mr. Twyerould receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated September 1, 2007, as amended, between Excelsior Mining Arizona, Inc. (“**Excelsior Arizona**”) and SCT Holdings Management LLC. See below under “Termination and Change of Control Benefits” for a description of this agreement. Mr. Twyerould also serves as a director of the Company, but receives no additional compensation for his services as a director.

(2) Mr. Goodgame served as Vice President, Exploration from October 14, 2010 to May 22, 2014 when he was promoted to Executive Vice President. Mr. Goodgame receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated May 11, 2007, as amended, between Excelsior Arizona and Talumba, Inc. See below under “Termination and Change of Control Benefits” for a description of this agreement. Effective April 21, 2017, Mr. Goodgame was appointed Chief Operating Officer of the Company.

(3) Mr. Valente was appointed CFO on December 1, 2014. Mr. Valente did not receive compensation directly from the Company, except for grants of stock options and discretionary bonuses. Mr. Valente is an employee of King & Bay West

- (see “Management Contracts” section). King & Bay West invoices the Company on a monthly basis for fees for management services which are based on the usage of such services by the Company. The amount set out for Mr. Valente under the heading “All other compensation” is the amount paid by King & Bay West directly to Mr. Valente during the years ended December 31, 2014, 2015 and 2016 based on the estimated time Mr. Valente spent providing services to the Company. Mr. Valente resigned as CFO on April 27, 2016.
- (4) Ms. Sawyer was appointed Vice President, Sustainability on November 18, 2014. Ms. Sawyer received her compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated November 18, 2014 between Excelsior Arizona, the Company, Rebecca A. Sawyer, LLC and Rebecca Sawyer. See below under “Termination and Change of Control Benefits” for a description of this agreement. Effective September 1, 2016, the consulting agreement was terminated and Ms. Sawyer entered into an employment agreement dated September 1, 2016 with Excelsior Arizona. The terms of the employment agreement, are, in all material respects, the same as the terms of the consulting agreement.
- (5) Mr. Distler was appointed CFO on April 27, 2016. Mr. Distler receives his compensation pursuant to the terms of an employment agreement between Excelsior Arizona and Mark Distler dated March 14, 2016. See below under “Termination and Change of Control Benefits” for a description of this agreement.
- (6) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was April 27, 2016. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of .079%; (b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 129.19% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (7) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was December 16, 2015. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of 0.66%; (b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 132.1% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (8) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was August 19, 2015. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of 0.44%; b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 1.33.3% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (9) The value of the option-based awards reflects the fair value of options granted on the date of grant, which was December 1, 2014. The fair value was computed using the Black Scholes option pricing model with the following assumptions: a) average risk-free interest rate of 1.4%; b) expected life of five years; c) the price of the stock on the grant date; d) expected volatility of 105.92% and e) no expected dividend payments. The Black Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.
- (10) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.3427 of one Canadian dollar, based on the noon exchange rate on December 30, 2016 as published by the Bank of Canada.
- (11) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.3840 of one Canadian dollar, based on the noon exchange rate on December 31, 2015 as published by the Bank of Canada.
- (12) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.1601 of one Canadian dollar, based on the noon exchange rate on December 31, 2014 as published by the Bank of Canada.

### **Option-based Awards**

The only equity compensation plan which the Company has in place is its stock option plan (the “**2016 Plan**”). The 2016 Plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company.

The 2016 Plan reserves for issuance a maximum of 17,966,400 Common Shares, being approximately 10.73% of the Common Shares issued and outstanding at the date of this Statement of Executive Compensation. Currently, the Company has options outstanding that will result in 16,036,000 Common Shares being issuable upon the exercise of such options, which represents approximately 9.6% of the current number of issued and outstanding Common Shares.

The 2016 Plan is administered by the Board of Directors and provides for grants of non-transferable options under the 2016 Plan at the discretion of the Board of Directors to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The Board of Directors has the authority under the 2016 Plan to determine the exercise price per Common Share at the time an option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX Venture Exchange (the “**Exchange**”) on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. The Board of Directors also has the authority under the 2016 Plan to determine other terms and conditions relating to the grant of options, including any applicable vesting provisions, provided that any options granted to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one-quarter of the options vesting in any three-month period.

The term of options granted under the 2016 Plan shall not exceed 10 years from the date of grant. However, as permitted by Exchange Policy 4.4 – *Incentive Stock Options* (the “**Policy**”), the 2016 Plan includes an automatic extension of the expiry date associated with any option that expires during a trading blackout period imposed by the Company in accordance with insider trading policies. Under the 2016 Plan, if an option expires within a blackout period, the expiry date will be automatically extended to ten (10) business days following the date on which the blackout period is lifted.

All options granted under the 2016 Plan are not assignable or transferable other than by will or the laws of dissent and distribution. Other than Eligible Persons engaged in Investor Relations Activities, if an optionee ceases to be an Eligible Person for any reason whatsoever other than termination for cause or death, each fully vested option held by such optionee will cease to be exercisable 90 days following the termination date (being the date on which such optionee ceases to be an Eligible Person), provided that in no event shall such right extend beyond the expiry date of such options. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date. In the case of an optionee who is an Eligible Person engaged in Investor Relations Activities, each fully vested option held by such optionee will cease to be exercisable within 30 days from the date such optionee ceases to provide Investor Relations Activities, provided that in no event shall such right extend beyond the expiry date of such options. In the case of an optionee who is an Eligible Person who is terminated for cause, any option held by such optionee shall expire immediately.

In adherence with the Policy, the 2016 Plan also includes the following limitations on stock option grants:

- (a) Unless the Company obtains shareholder approval (which must be disinterested shareholder approval if required by the policies of the Exchange) the aggregate number of Common Shares issuable to insiders (as a group) pursuant to options granted under the 2016 Plan, together with Common Shares issuable to insiders (as a group) under any other share compensation arrangement of the Company, shall not at any time:
  - (i) exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such option; or
  - (ii) result in the issuance to insiders (as a group), within a 12 month period, of an excess of 10% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (b) the aggregate number of Common Shares issuable to any one Eligible Person who is a Consultant (as defined in the 2016 Plan) shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option;
- (c) the aggregate number of Common Shares issuable to all Eligible Persons retained in Investor Relations Activities shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option; and

- (d) unless the Company obtains disinterested shareholder approval, the aggregate number of Common Shares issuable to any one Eligible Person (and where permitted, any companies that are wholly owned by that Eligible) shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.

The 2016 Plan also provides that shareholder approval must be obtained to effect any of the following modifications to the 2016 Plan: (a) an increase in the benefits under the 2016 Plan; (b) an increase in the number of Common Shares which may be issued under the 2016 Plan; (c) modifications to the requirements as to the eligibility for participation in the 2016 Plan; (d) modifications to the limitations on the number of options that may be granted to any one person or category of persons under the 2016 Plan; (e) modifications to the method for determining the exercise price of options granted under the 2016 Plan; (f) an increase in the maximum option period; or (g) modifications to the expiry and termination provisions applicable to options granted under the 2016 Plan.

***Outstanding share-based awards and option-based awards***

The following table provides details with respect to outstanding option-based awards and share-based awards, granted to the Named Executive Officers as at the year ended December 31, 2016.

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen Twyerould CEO	600,000 <sup>(3)</sup> 500,000 <sup>(2)</sup> 2,300,000 <sup>(5)</sup>	\$0.34 <sup>(6)</sup> \$0.30 \$0.23	2018-12-31 2018-12-31 2020-12-16	174,000 165,000 920,000	Nil	Nil	Nil
Roland Goodgame Executive Vice President	2,000,000 <sup>(3)</sup> 400,000 <sup>(2)</sup> 500,000 <sup>(2)</sup> 1,700,000 <sup>(5)</sup>	\$0.34 <sup>(6)</sup> \$0.30 \$0.30 \$0.23	2018-12-31 2018-12-31 2018-12-31 2020-12-16	580,000 132,000 165,000 680,000	Nil	Nil	Nil
Rebecca Sawyer Vice President, Sustainability	250,000 <sup>(4)</sup> 100,000 <sup>(2)</sup> 400,000 <sup>(5)</sup>	\$0.25 \$0.30 \$0.23	2019-12-01 2020-08-19 2020-12-16	95,000 33,000 160,000	Nil	Nil	Nil
Carlo Valente <sup>(7)</sup> CFO	50,000 <sup>(2)</sup>	\$0.30	2018-12-31	16,500	Nil	Nil	Nil
Mark Distler <sup>(8)</sup> CFO	200,000 <sup>(2)</sup>	\$0.36	2021-04-27	54,000	Nil	Nil	Nil

- (1) Based on the closing price of the Common Shares on the Exchange on December 30, 2016, being \$0.63.
- (2) Options are granted for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six, twelve, eighteen and twenty-four month anniversaries of the date of grant.
- (3) Options of AzTech Minerals, Inc. (“AzTech”) exchanged for options exercisable for Excelsior shares as a result of the business combination between the Company, Excelsior Arizona and AzTech (the “Business Combination”). These options are not subject to any vesting provisions.
- (4) Options are granted for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six and twelve month anniversaries of the date of grant and 50% become available for exercise on the twenty-four month anniversary of the grant date.
- (5) Options are granted for a period of five years and 100% vest and become available for exercise one day following the date that the Company has received from the relevant governmental authorities all of the final permits and approvals such that the Company is permitted to commence the production of copper from the Gunnison Copper Project located in Cochise County, Arizona.

- (6) U.S. dollar amounts have been converted to Canadian dollars using an exchange rate of one U.S. dollar equals 1.3427 of one Canadian dollar, based on the noon exchange rate on December 30, 2016 as published by the Bank of Canada.  
 (7) Mr. Valente resigned as CFO effective April 27, 2016.  
 (8) Mr. Distler was appointed as CFO effective April 27, 2016.

***Incentive plan awards – value vested or earned during the financial year ended December 31, 2016***

The following table provides information regarding value vested or earned through incentive plan awards by the Named Executive Officers during the financial year ended December 31, 2016:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Stephen Twyerould CEO	Nil <sup>(2)</sup>	Nil	Nil
Roland Goodgame Executive Vice President	Nil <sup>(2)</sup>	Nil	Nil
Rebecca Sawyer Vice President, Sustainability	37,875 <sup>(3)</sup>	Nil	Nil
Carlo Valente CFO <sup>(5)</sup>	Nil <sup>(2)</sup>	Nil	Nil
Mark Distler CFO <sup>(6)</sup>	3,000 <sup>(4)</sup>	Nil	Nil

- (1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the options on the vesting date.  
 (2) No options vested during the fiscal year ended December 31, 2016.  
 (3) 25,000 options exercisable at \$0.30 per share vested on February 19, 2016, 25,000 options exercisable at \$0.30 per share vested on August 19, 2016 and 125,000 options exercisable at \$0.25 per share vested on December 1, 2016. The closing price of the Common Shares on the Exchange on February 19, 2016, August 19, 2016 and December 1, 2016 were \$0.275, \$0.365 and \$0.54 respectively.  
 (4) 50,000 options exercisable at \$0.36 per share vested on October 27, 2016. The closing price of the Common Shares on October 27, 2016 was \$0.42.  
 (5) Mr. Valente resigned as CFO effective April 27, 2016.  
 (6) Mr. Distler was appointed as CFO effective April 27, 2016.

**Pension Plan Benefits**

The Company does not have any pension or retirement plans or arrangements for its Named Executive Officers.

**Termination and Change of Control Benefits**

The following describes the respective consulting agreements currently in effect for the Named Executive Officers:

**Stephen Twyerould**

The consulting agreement (the “SCT Agreement”) dated September 1, 2007, as amended, between Excelsior Arizona (formerly AzTech prior to the Business Combination) and SCT Holdings Management, LLC, a privately-owned company held by Stephen Twyerould, requires Excelsior Arizona to pay SCT Holdings Management, LLC US\$285,000 per annum for services.

Pursuant to the SCT Agreement if Excelsior Arizona terminates the SCT Agreement for cause, Excelsior Arizona is required to pay SCT all previously unpaid consulting fees or interim consulting fees up to, and including, amounts payable to SCT during the month of termination. If Excelsior Arizona terminates the

SCT Agreement for any reason other than for cause or the death or disability of Stephen Twyerould, SCT's principal officer (who is not thereupon replaced by a principal officer acceptable to Excelsior Arizona) or if SCT terminates the SCT Agreement for Good Reason (as defined below), Excelsior Arizona is required to pay SCT all unpaid consulting fees and an amount equal to one year of the consulting fee. In the event of a Change of Control (as defined below) and Excelsior Arizona terminates the SCT Agreement or fails to renew the SCT Agreement within 18 months of the change of control, Excelsior Arizona is required to pay SCT an amount equal to three years worth of the consulting fees at the time of termination or failure to renew.

Effective January 1, 2017, Stephen Twyerould entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Mr. Twyerould in the position of Chief Executive Officer and President of the Company, Excelsior Arizona and Excelsior Mining JCM, Inc. ("**Excelsior JCM**") and the SCT Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the SCT Agreement.

### **Roland Goodgame**

The consulting agreement (the "**Taloumba Agreement**") dated May 11, 2007, as amended, between Excelsior Arizona (formerly AzTech prior to the Business Combination) and Taloumba, Inc., a privately-owned company held by Roland Goodgame, requires Excelsior Arizona to pay Taloumba, Inc., US\$220,000 per annum for services.

Pursuant to the Taloumba Agreement if Excelsior Arizona terminates the Taloumba Agreement for cause, Excelsior Arizona is required to pay Taloumba all previously unpaid consulting fees or interim consulting fees up to, and including, amounts payable to Taloumba during the month of termination. If Excelsior Arizona terminates the Taloumba Agreement for any reason other than for cause or the death or disability of Roland Goodgame, Taloumba's principal officer (who is not thereupon replaced by a principal officer acceptable to Excelsior Arizona) or if Taloumba terminates the Taloumba Agreement for Good Reason (as defined below), Excelsior Arizona is required to pay Taloumba all unpaid consulting fees and an amount equal to one year of the consulting fee. In the event of a Change of Control (as defined below) and Excelsior Arizona terminates the Taloumba Agreement or fails to renew the Taloumba Agreement within 18 months of the change of control, Excelsior Arizona is required to pay Taloumba an amount equal to three years worth of the consulting fees at the time of termination or failure to renew.

Effective March 1, 2017, Roland Goodgame entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Mr. Goodgame in the position of Chief Operating Officer of the Company, Excelsior Arizona and Excelsior JCM, and the Taloumba Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the Taloumba Agreement.

### **Rebecca Sawyer**

The consulting agreement (the "**Sawyer Agreement**") dated November 18, 2014 between the Company, Excelsior Arizona, Rebecca A. Sawyer, LLC (the "**Consultant**"), a privately-owned company held by Rebecca Sawyer and Rebecca A. Sawyer ("**Sawyer**"), requires Excelsior Arizona to pay the Consultant, US\$129,999.96 base fees per annum for services. Effective September 1, 2016, the base fees per annum were increased to US\$150,000.

Pursuant to the Sawyer Agreement, either the Company/Excelsior Arizona, or the Consultant/Sawyer, may terminate the Sawyer Agreement on the giving to the other parties at least three (3) months' written notice of the effective date of such termination. In the event of a Change of Control (as defined below) and the Company/Excelsior Arizona terminate the Sawyer Agreement without cause or for Good Reason within 12 months of the change of control, the Company/Excelsior Arizona are required to pay the Consultant an amount equal to the 12 months' base fees at the time of termination or failure to renew.

Effective September 1, 2016, Rebecca Sawyer entered into an employment agreement with Excelsior Arizona pursuant to which Excelsior Arizona employs Ms. Sawyer in the position of Vice President, Sustainability of the Company, Excelsior Arizona and Excelsior JCM, and the Sawyer Agreement was terminated. The termination and change of control provisions in the employment agreement are, in all material respects, the same as those provisions contained in the Sawyer Agreement.

### **Mark Distler**

The employment agreement (the “**Distler Agreement**”) dated March 14, 2016 between Excelsior Arizona and Mark Distler (“**Distler**”), employs Distler as CFO of the Company, Excelsior Arizona and Excelsior JCM at an annual base salary of US\$165,000.

Pursuant to the Distler Agreement, Excelsior Arizona may terminate the Distler Agreement on the giving to Distler of thirty (30) days’ written notice or pay in lieu thereof. In the event of a Change of Control (as defined below) and either Excelsior Arizona or Distler terminate the Distler Agreement without cause or for Good Reason within one (1) year of the change of control, Excelsior Arizona is required to pay Distler an amount equal to the six (6) months’ base salary at the time of termination.

Change of control (“**Change of Control**”) is defined in each of the Taloumba Agreement, the SCT Agreement, the Sawyer Agreement and the Distler Agreement to include each of the following: (a) any tender offer, take-over bid or exchange offer is consummated involving fifty one percent (51%) or more of the combined voting power of Excelsior Arizona’s or the Company’s outstanding securities; (b) the consummation of any merger, consolidation or other reorganization or similar transaction involving Excelsior Arizona or the Company where less than sixty percent (60%) of the outstanding voting shares of the surviving entity are or would be owned in the aggregate by Excelsior Arizona’s or the Company’s stockholders who are stockholders of Excelsior Arizona or the Company, as applicable, as of the date of such action; (c) the consummation of any sale or transfer of all or substantially all of the assets of Excelsior Arizona or the Company to any person or entity, other than to an entity that is wholly owned by Excelsior Arizona or the Company, as applicable; (d) any tender offer, take-over bid, exchange offer, merger, take-over bid, consolidation, other reorganization or similar transaction, sale or transfer of assets or contested election where less than a majority of the board of directors of Excelsior Arizona or the Company, or, if applicable, the surviving entity were directors of Excelsior Arizona or the Company, as applicable, before such action; or (e) any transaction relating to Excelsior Arizona or the Company that is required to be described in accordance with Schedule 14A of Regulation 14A of the Securities and Exchange Commission (or equivalent regulations applicable in Canada).

Good reason (“**Good Reason**”) is defined in each of the Taloumba Agreement, and the SCT Agreement to mean any of the following: (a) a material diminution of the duties, authority, responsibilities, or consulting position of the consultant or the assignment to the consultant of duties that are materially inconsistent with the consultant's duties; (b) the consultant is relieved of the consultant's duties other than for cause; (c) a reduction in the consulting fee; (d) any change in the consultant's principal place of work that would increase the commute of the principal officer of the consultant by 30 miles or more from the consultant's current principal place of work; (e) a change of control occurs; or (f) a breach by Excelsior Arizona of any of its material obligations under the consulting agreement.

Good Reason is defined in the Sawyer Agreement to mean, without Sawyer’s written consent, the occurrence of any of the following circumstances: (i) reduction by Excelsior Arizona in Sawyer’s Base Salary; (ii) the failure of Sawyer to be appointed or re-appointed to the position of Vice President Sustainability; (iii) a material diminution in Sawyer’s duties or the assignment to Sawyer of any duties inconsistent with her position and status as Vice President Sustainability of Excelsior Arizona or the Company; (iv) the Company ceases to be publicly traded; (v) a change in Sawyer's reporting relationship such that Sawyer no longer reports directly to the Executive Vice President; (vi) Sawyer is directed by the Company to act, or refrain from acting, in a manner that would result in the Company becoming non-compliant with any of its permits or a violation of applicable law; or (vii) a relocation of place of work outside of Arizona.



Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(7)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Lord Robin Renwick <sup>(6)</sup> Director	24,000	Nil	Nil	Nil	Nil	Nil	24,000

- (1) Mr. Morabito was appointed as a director of the Company effective April 4, 2007. Mr. Morabito served as Non-Executive Chairman from October 14, 2010 to June 5, 2014. Mr. Morabito was appointed as Executive Chairman of the Company on June 5, 2014 and Non-Executive Chairman on January 31, 2016.
- (2) Mr. Sujir was appointed as a director of the Company effective May 14, 2010.
- (3) Mr. Kinley was appointed as a director of the Company effective October 14, 2010.
- (4) Messrs. Kolbe and Lynn were appointed as directors of the Company effective February 15, 2012.
- (5) Mr. Haworth was appointed as a director of the Company effective September 5, 2014.
- (6) Lord Renwick was appointed as a director of the Company effective October 20, 2014.
- (7) No option-based awards were granted to non-executive directors during the year ended December 31, 2016.

***Incentive plan awards - Outstanding share-based awards and option-based awards granted to Directors***

The following table provides details with respect to outstanding option-based awards and share-based awards, granted to the Directors of the Company who were not Named Executive Officers as at the year ended December 31, 2016.

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Mark J. Morabito, Director	900,000 <sup>(3)</sup>	\$0.30	2018-12-31	297,000	Nil	Nil	Nil
	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	132,000			
Jay Sujir Director	58,667 <sup>(2)</sup>	\$0.30	2018-12-31	19,360	Nil	Nil	Nil
	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	132,000			
	41,333 <sup>(3)</sup>	\$0.30	2018-12-31	13,640			
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	49,500			
Colin Kinley Director	400,000 <sup>(3)</sup>	\$0.30	2018-12-31	132,000	Nil	Nil	Nil
	100,000 <sup>(3)</sup>	\$0.30	2018-12-31	33,000			
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	49,500			
Jim Kolbe Director	500,000 <sup>(3)</sup>	\$0.30	2018-12-31	165,000	Nil	Nil	Nil
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	49,500			
Steven W. Lynn Director	500,000 <sup>(3)</sup>	\$0.30	2018-12-31	165,000	Nil	Nil	Nil
	150,000 <sup>(3)</sup>	\$0.30	2018-12-31	49,500			
Michael Haworth Director	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Lord Robin Renwick Director	500,000 <sup>(3)</sup>	\$0.26	2019-10-20	185,000	Nil	Nil	Nil

- (1) Based on the closing price of the Common Shares on the Exchange on December 30, 2016 being \$0.63.
- (2) Options are exercisable for a period of five years and vest over a period of twelve months such that 25% become available for exercise on each of the three, six, nine and twelve month anniversaries of the date of grant.
- (3) Options are exercisable for a period of five years and vest over a period of two years such that 25% become available for exercise on each of the six, twelve, eighteen and twenty-four month anniversaries of the date of grant.

***Incentive plan awards – value vested or earned during the financial year ended December 31, 2016***

The following table provides information regarding value vested or earned through incentive plan awards by the Directors of the Company who were not Named Executive Officers during the financial year ended December 31, 2016:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Mark J. Morabito, Director	Nil <sup>(2)</sup>	Nil	Nil
Jay Sujir, Director	Nil <sup>(2)</sup>	Nil	Nil
Colin Kinley, Director	Nil <sup>(2)</sup>	Nil	Nil
Jim Kolbe, Director	Nil <sup>(2)</sup>	Nil	Nil
Steven W. Lynn, Director	Nil <sup>(2)</sup>	Nil	Nil
Michael Haworth, Director	Nil <sup>(2)</sup>	Nil	Nil
Lord Robin Renwick, Director	25,000 <sup>(3)</sup>	Nil	Nil

(1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the options on the vesting date.

(2) No options vested during the year ended December 31, 2016.

(3) 125,000 options exercisable at \$0.26 per share vested on April 20, 2016 and 125,000 options exercisable at \$0.26 per share vested on October 20, 2016. The closing price of the Common Shares on the Exchange on April 20, 2016 and October 20, 2016 were \$0.32 and \$0.40 respectively.