



MANAGEMENT INFORMATION CIRCULAR

as at May 22, 2018

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of **Canamex Gold Corp.** (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of its shareholders to be held on **Wednesday, June 27, 2018** at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Canamex Gold Corp. “common shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of common shares held as of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you may appoint a person as proxy are submitting a Proxy by mail, hand delivery or fax.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, or where both choices have been specified, in favour or all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using "notice-and-access" as defined under National Instrument 54-101 ("**NI 54-101**").

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (c) using the Internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number.

In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Should you wish to contact Computershare, please refer to the following:

General Shareholder Inquiries:

By phone:	1-800-564-6253
By fax:	1-866-249-7775
By email:	service@computershare.com
By regular mail:	Computershare Investor Services Inc. 100 University Avenue, 8 th Floor Toronto, Ontario, M5J 2Y1

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian

banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for “**Objecting Beneficial Owners**”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “**Non-Objecting Beneficial Owners**”).

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a “**VIF**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. 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. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at #804 - 750 West Pender Street, Vancouver,

British Columbia, V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (b) personally attending the Meeting and voting the Registered Shareholder's common shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed May 22, 2018 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were 61,496,051 common shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

To the best knowledge of the Company's directors or executive officers, only the following persons or companies beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name of Shareholder	Number of Shares beneficially owned, or controlled or directed, directly or indirectly	Percentage of Issued and Outstanding Shares
Concept Capital Management Ltd.	\$3,400,000 Principal Amount Convertible Debenture	40.87% ⁽²⁾

1. These shares are held indirectly through CGM Concept Management.
2. Pursuant to a private placement that closed on October 25, 2016, the Company issued a Convertible Debenture in the Principal Amount of \$3,400,000 (the "**Debenture**") to Concept Capital Management Ltd. ("**CCM**"), which matures October 25, 2019. The Debenture is convertible into 21,250,000 common shares of the Company at a conversion price of \$0.16 per share. CCM was also issued a warrant (the "**Debenture Warrant**") entitling it to acquire up to 21,250,000 additional common shares, exercisable at \$0.20 per share on or before October 25 2019. Assuming conversion of the Debenture and full exercise of the Debenture Warrant, CCM would hold 42,500,000 common shares of the Company, representing 40.87%. To date, CCM has not converted this Debenture. CCM agreed not to convert the Debenture if it would place it in a Control Position in the Company unless the Company has received shareholder approval to such change of control.

The financial statements for the years ended December 31, 2016 and 2017, reports of the auditor and related management discussions and analysis were filed on www.sedar.com on April 28, 2017 and April 30, 2018, respectively, with the securities commissions or similar regulatory authority in British Columbia and Alberta and are specifically incorporated by reference into, and form an integral part of, this Circular.

A copy of the financial statements incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928, or are available through the internet at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors remain at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled⁽¹⁾
David Vincent⁽²⁾ United Arab Emirates <i>CEO and Director</i>	20 years experience which includes investment banking, providing corporate advisory, corporate public relations and capital raising services within the resources sector. Former senior executive with BAE Systems, a global aerospace company. Director of Arizona Silver Exploration Inc and Director of Secova Metals Corp.	October 4, 2017	1,706,205
Gregory Hahn Arizona, USA <i>President, COO and Director</i>	P. Geo, Geo, Engineer. President, CEO and director of Arizona Silver Exploration Inc; Director of eCobalt Solutions (formerly Formation Metals) since May 2013.	September 8, 2011	1,951,226 ⁽³⁾
Mike Stark⁽²⁾ British Columbia, Canada <i>Director (Chairman of the Board)</i>	25 year member of the Fire Service International Association of Fire Fighters, former Captain. Chairman and director of Arizona Silver Exploration Inc.; Director of TransAmerican Energy Inc. from October 2008 to April 2018.	February 25, 2009	936,059 ⁽⁴⁾

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled⁽¹⁾
Frank Högel⁽²⁾ Director Independencia, Paraguay	Asset Manager, involved in financial evaluation of companies and convertible debenture structuring; Member of Advisory Board for Concept Capital Management Ltd.; Over 14 years' experience in mining industry, and expertise as international financier/investor; Holds degree in Economics and International Business and Management from University of Nürtingen in Germany, and a Finance Degree (DTV) as a tested finance and stock consultant; Director of three other public companies.	October 20, 2015	309,000
Guy P. Dancosse Director Quebec, Canada	Q.C., IAS.A., CRIA. Former director, Chair of the Human Resources Committee and legal counsel at the Royal Canadian Mint. Member of the Institute of Corporate Directors, Board of Directors of Fronsac Inc., Ordre des conseillers en ressources humaines agréés du Québec, the Canadian Bar Association, the International Bar Association and the International Institute for Conflict Prevention & Resolution (New York).	January 22, 2018	Nil

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of audit committee.
- (3) Of these 1,951,226 common shares, 581,919 common shares are held directly by Mr. Hahn and 1,369,307 common shares are held indirectly through a trust.
- (4) Of these 936,059 common shares, 75,625 common shares are held directly by Mr. Stark and 860,434 common shares are held indirectly through Starkcollections, a proprietorship owned by Mr. Stark.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order ("CTO") or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was

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

- (b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mike Stark, who was a director of TransAmerican Energy Inc. ("TAE") while that company was subject to:

- (a) a cease trade order issued on August 20, 2008 by the British Columbia Securities Commission (the "**TAE BC CTO**") against TAE for failure to file annual oil and gas disclosure prescribed by National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities*, for the years ended April 30, 2006 and 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE BC CTO was revoked on November 19, 2008;
- (b) a cease trade order issued on August 21, 2008 by the Alberta Securities Commission against TAE (the "**TAE Alberta CTO**") for failure to file annual oil and gas disclosure for the year ended April 30, 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE Alberta CTO was revoked on November 25, 2008;
- (c) a management cease trade order issued on August 31, 2009 by the British Columbia Securities Commission (the "**TAE MCTO**") against TAE for failure to file annual financial statements for the year ended April 30, 2009. The financial statements were subsequently filed and the TAE MCTO was revoked on October 2, 2009.

None of the proposed directors (or any of their personal holding companies) 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 a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Manning Elliott LLP, Chartered Professional Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, British Columbia V6E 3S7, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Manning Elliott LLP, Chartered Professional Accountants, were appointed the auditor of the Company on April 9, 2010.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the audit committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee are David John Vincent (Chair), Mike Stark and Frank Högel. All members of the Audit Committee are considered to be financially literate. Mr. Högel is not executive officers of the

Company and, therefore, is an independent member of the Audit Committee. Mr. Vincent and Mr. Stark are executive officers of the Company and are not considered to be independent members of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

David Vincent, BEng, Dip. FP

David Vincent's background includes consulting and investment banking, corporate advisory, corporate public relations and capital raising services within the resources sector. David was a senior executive with BAE Systems, a global aerospace company, where he gained significant skills and experience in international business development, feasibility studies, market analysis, business planning, project financing, project management and marketing within the United Kingdom, the Middle East and Europe. He is a professional engineer and commercial pilot with post graduate academic qualifications in management and financial services. David was a senior commissioned officer (Engineer and Pilot) in the Royal Australian Air Force. He has worked throughout Europe, Middle East, Africa and Asia region for the last 20 years. He holds a Bachelor of Engineering with Distinction from RMIT, a Diploma in Administrative Studies, an Advanced Diploma in Aviation Studies and a Diploma in Financial Planning from Deakin University, Australia.

Mike Stark

Mr. Stark has over 32 years of business experience in the private sector as an owner and operator of two successful companies, and 27 years in the public sector. Mr. Stark's background includes corporate financing, investor relations, market support and corporate strategic development. Companies he has worked with in the past include; Exeter Resources and Extorre Resources. Mr. Stark is currently also the Chairman, director and audit committee member of Arizona Silver Exploration Inc.

Frank Högel

Mr. Högel is an Asset Manager actively involved in the financial evaluation of companies and convertible debenture restructuring, and sits on the advisory board of Concept Capital Management. His background includes more than 13 years of direct experience in the mining industry, expertise as an international financier/investor and successful track record stock consultant and stock broker in London, England. Mr. Hogel holds a degree in Economics and International Business and management from the University of Nürtingenin Germany and Finance Degree (DTV).

Each member of the Company's present and proposed audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, Manning Elliott LLP, Chartered Professional Accountants, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audited services provided by Manning Elliott LLP, Chartered Professional Accountants, to the Company to ensure auditor independence. The following table outlines the fees incurred with Manning Elliott LLP, Chartered Professional Accountants, who were appointed auditors of the Company on April 9, 2010 for audit and non-audit services in the last two fiscal years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2017</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2016</u>
Audit Fees ⁽¹⁾	\$33,000	\$28,500
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$2,500	\$2,500
All Other Fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total:	\$35,500	\$31,000

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the years ended December 31, 2016 and 2017. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its Audit Committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101F2 *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Frank Högel and Guy P. Dancosse.

The non-independent members of the Board are David John Vincent, the CEO of the Company, Gregory Hahn, President and COO of the Company, and Mike Stark, Chairman of the Company.

The following directors of the Company are directors of other reporting issuers:

David John Vincent
Reporting Issuer
Arizona Silver Exploration Inc.
Secova Metals Corp.

Gregory Hahn
Reporting Issuer
Arizona Silver Exploration Inc.
eCobalt Solutions

Mike Stark
Reporting Issuer
Arizona Silver Exploration Inc.

Guy P. Dancosse
Reporting Issuer
AREV Nutrition Sciences Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board determines compensation for the directors and CEO.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

COMPENSATION OF EXECUTIVE OFFICERS

Executive Compensation

In this section "Named Executive Officer" ("NEO") means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder's shares and the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

The Company has established a stock option plan to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the board of directors based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board.

The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

See "Securities Authorized Under Equity Compensation Plans" for further information on the Company's stock option plan.

Summary Compensation Table

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David John Vincent ⁽²⁾ CEO	2017	Nil	Nil	43,279	Nil	Nil	Nil	25,500	68,779
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mike Stark ⁽³⁾ Chairman	2017	Nil	Nil	12,527	Nil	Nil	Nil	70,000	82,527
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gregory Hahn ⁽⁴⁾ President and COO	2017	Nil	Nil	8,351	Nil	Nil	Nil	128,534	136,885
	2016	Nil	Nil	Nil	Nil	Nil	Nil	118,922	118,922
	2015	Nil	Nil	76,733 ⁽⁸⁾	Nil	Nil	Nil	106,269 ⁽¹⁰⁾	183,002
	2014	Nil	Nil	109,305 ⁽⁹⁾	Nil	Nil	Nil	180,497 ⁽¹⁰⁾	289,802
Dong H. Shim ⁽⁵⁾ CFO and Secretary	2017	Nil	Nil	9,870	Nil	Nil	Nil	8,000	17,870
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard Barnett ⁽⁶⁾ Former CFO and Secretary	2017	Nil	Nil	4,176	Nil	Nil	Nil	24,500	28,676
	2016	Nil	Nil	Nil	Nil	Nil	Nil	24,000	24,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	24,000 ⁽¹²⁾	24,000
	2014	Nil	Nil	9,849 ⁽⁹⁾	Nil	Nil	Nil	24,000 ⁽¹²⁾	33,849

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Mark Billings ⁽⁷⁾ Former CEO	2017	Nil	Nil	20,878	Nil	Nil	Nil	140,218	161,096
	2016	Nil	Nil	Nil	Nil	Nil	Nil	98,978	98,978
	2015	Nil	Nil	173,246 ⁽⁸⁾	Nil	Nil	Nil	98,978 ⁽¹³⁾	272,224
	2014	Nil	Nil	27,326 ⁽⁹⁾⁽¹⁾	Nil	Nil	Nil	41,790 ⁽¹³⁾	69,116

- (1) Financial years ended December 31.
- (2) David John Vincent was appointed as CEO of the Company on December 1, 2017.
- (3) Mike Stark was appointed as Chairman of the Company on October 4, 2017.
- (4) Gregory Hahn has served as President of the Company since September 8, 2011 and COO of the Company since September 11, 2012.
- (5) Dong H. Shim as served as CFO and Secretary of the Company since August 25, 2017.
- (6) Richard Barnett served as CFO and Secretary of the Company from February 26, 2009 to August 31, 2011 and from September 11, 2012 to July 31, 2017.
- (7) Mark Billings served as CEO of the Company from November 13, 2014 to October 4, 2017.
- (8) Options to purchase 2,187,675 shares (to Greg Hahn) and 100,000 shares (to Mark Billings) were granted on October 22, 2015 (no vesting), exercisable at \$0.05 per share on or before October 21, 2020.
- (9) Options to purchase 1,000,000 shares each were granted on March 14, 2014 to each of Greg Hahn (no vesting), 250,000 to Mark Billings (no vesting), and 100,000 to Richard Barnett (vesting 50% on the date of grant and 50% on March 14, 2015), all being exercisable at \$0.13 per share on or before March 13, 2019. Mr. Barnett's options subsequently expired on October 29, 2017 due to his resignation as an officer of the Company.
- (10) During the year ended 2015, \$106,269 was paid or accrued (2014 - \$180,497; 2013 - \$183,229) as consulting fees to a private company controlled by Mr. Hahn. In November 2014, Mr. Hahn agreed to a reduction in his consulting fee to US\$7,500 per month for an indefinite period. He currently only bills the Company for months in which he provides services.
- (11) As at the year ended December 31, 2014, in addition to 250,000 options noted in (10) above, Mark Billings held an option to purchase 100,000 shares that was granted on January 6, 2012, exercisable at \$0.105 on or before January 5, 2017 (no vesting), and an option to purchase 150,000 shares that was granted on September 25, 2012, exercisable at \$0.27 on or before September 24, 2017 (no vesting).
- (12) During the year ended 2015, \$24,000 was paid or accrued (2014 - \$24,000; 2013 - \$24,000) as consulting fees to a private company controlled by Mr. Barnett.
- (13) During the year ended December 31, 2015, \$98,978 (December 31, 2014 - \$41,790) was paid or accrued as a consulting fee to a private company controlled by Mr. Billings. Subsequent to his Consulting Contract dated November 13, 2014, Mr. Billings agreed to a consulting fee rate of \$7,500 per month from November 2014.

Incentive Plan Awards

The following table sets out all option-based awards outstanding as at December 31, 2016 and 2017 for each NEO.

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
David John Vincent CEO	500,000	\$0.16	November 24, 2022	Nil ⁽¹⁾⁽²⁾
Mike Stark Chairman	93,750 150,000	\$0.52 \$0.16	March 13, 2019 February 23, 2022	Nil ⁽¹⁾⁽²⁾ \$3,000 ⁽¹⁾ / Nil ⁽²⁾
Gregory Hahn President and COO	546,919 100,000	\$0.20 \$0.16	October 21, 2020 February 23, 2022	Nil ⁽¹⁾⁽²⁾ \$2,000 ⁽¹⁾ / Nil ⁽²⁾

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Dong H. Shim CFO and Secretary	100,000	\$0.16	September 5, 2022	\$2,000 ⁽¹⁾ / Nil ⁽²⁾
Richard Barnett Former CFO and Secretary	Nil	N/A	N/A	N/A
Mark Billings Former CEO	62,500 250,000 25,000 250,000	\$0.52 \$0.64 \$0.20 \$0.16	March 13, 2019 January 26, 2020 October 21, 2020 February 23, 2022	Nil ⁽¹⁾⁽²⁾ Nil ⁽¹⁾⁽²⁾ Nil ⁽¹⁾⁽²⁾ \$5,000 ⁽¹⁾ / Nil ⁽²⁾

- (1) This amount is based on the difference between the market value of the securities underlying the options on December 30, 2016, which was \$0.13, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.
- (2) This amount is based on the difference between the market value of the securities underlying the options on December 29, 2017, which was \$0.18, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for the NEOs, the value vested during the financial years ended on December 31, 2016 and 2017 for options awarded under the Plan, as well as the value earned under non-equity incentive plans for the same period:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
David John Vincent CEO	43,279	N/A	N/A
Mike Stark Chairman	12,527	N/A	N/A
Gregory Hahn President and COO	8,351	N/A	N/A
Dong H. Shim CFO and Secretary	9,870	N/A	N/A
Richard Barnett Former CFO and Secretary	4,176	N/A	N/A
Mark Billings Former CEO	20,878	N/A	N/A

See “Securities Authorized Under Equity Compensation Plans” for further information on the Company's' stock option plan.

Defined Benefit, Contribution or Deferred Compensation Plans

The Company does not have a pension plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service, nor any contribution or deferred compensation plan.

Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of an NEO's responsibilities following a change in control.

Director Compensation

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options.

During the most recently completed financial years ended December 31, 2016 and 2017, the directors who were not NEOs received the following compensation for services provided to the Company:

Name	Fees earned (\$) ⁽⁴⁾	Share based awards (\$)	Option based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Frank Högel ⁽¹⁾	29,000	Nil	6,263	Nil	Nil	Nil	35,263
Dean McDonald ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jeb Handwerger ⁽³⁾	Nil	Nil	6,263	Nil	Nil	Nil	6,263

- (1) Frank Högel has served as a director of the Company since October 20, 2015.
- (2) Dean McDonald served as a director of the Company from July 30, 2013 to December 8, 2017.
- (3) Jeb Handwerger served as a director of the Company from December 29, 2015 to June 5, 2017.
- (4) Includes fees paid or accrued during the fiscal year.

Securities Authorized for Issuance Under Equity Compensation Plans

The only equity compensation plan the Company has in place is the stock option plan (the "Plan") which was previously approved by the shareholders of the Company on March 6, 2017. The Plan was adopted to replace the Company's former Plan to bring the Company's Plan in line with the current regulatory regime and has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees and service providers of the Company or a subsidiary of the Company. The Plan provides that the number of common shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the aggregate number of common shares outstanding from time to time. All options expire on a date not later than five years after the date of grant of such option.

The following table sets out equity compensation plan information as at the year ended December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	3,800,669	\$0.26	2,335,899
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	3,800,669	N/A	2,335,899

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Re-approval of Rolling Stock Option Plan

The Company currently has a 10% maximum rolling stock option plan (the "**Plan**") in place. The Plan was approved by the shareholders at the Company's annual general meeting held on March 6, 2017. Options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

The Board is of the view that the Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

The Plan was established to provide incentive to directors, officers and employees and consultants. As a 10% rolling plan the aggregate number of common shares issuable as options under the Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an "**Optionee**").

Eligible Optionees

To be eligible to receive a grant of options under the Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

Restrictions

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior Regulatory Approval;

- (c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

Material Terms of the Plan

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) all options granted under the Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;

- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a take over bid being made to the shareholders generally, immediately upon receipt of the notice of the take over bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the take over bid, and all outstanding options may, notwithstanding the vesting terms contained in the Plan or any vesting requirements subject to Regulatory Approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to re-approve the Plan, with or without variation, as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan (the “**Plan**”), as more particularly described in the Circular of the Company dated May 22, 2018, be ratified and approved;
2. to the extent permitted by law, the Company be authorized to abandon all or any part of the Plan if the Board deems it appropriate and in the best interests of the Company to do so; and

3. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

A copy of the Plan will be available for inspection at the Meeting.

The Board recommends that shareholders vote in favour of the Plan.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR at www.sedar.com and may also be obtained by a shareholder upon request without charge from the Corporate Secretary of the Company at 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928; fax (604) 685-6905.

Financial information is provided in the Company’s comparative audited financial statements of the Company for the years ended December 31, 2016 and 2017, and in the related Management Discussion and Analysis.

OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Circular.

Schedule "A"

CANAMEX GOLD CORP. (the "Company")

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the directors of the Company (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.

Review and appraise the performance of the Company's external auditors.

Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholder's meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Relevant education and experience

See the disclosure under "Election of Directors". All members of the Audit Committee have:

- a) an understanding of the accounting principles used the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- b) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- c) an understanding of internal controls and procedures for financial reporting.

Meetings

The Committee shall meet at least annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (g) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.

Other

Review any related-party transactions.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.