

This is an important document that requires your careful review and consideration. Enquiries concerning the information contained in this document should be directed to Caza Gold Corp. Attention: Brian Arkell, President, at barkell@caza.com.

January 20, 2017

CAZA GOLD CORP. DIRECTORS' CIRCULAR

RECOMMENDING ACCEPTANCE OF THE OFFER BY ROYAL ROAD MINERALS LIMITED TO ACQUIRE ALL OF THE OUTSTANDING COMMON SHARES OF CAZA GOLD CORP.

<p>THE BOARD OF DIRECTORS OF CAZA GOLD CORP. UNANIMOUSLY RECOMMENDS THAT YOU ACCEPT THE OFFER AND DEPOSIT YOUR CAZA COMMON SHARES UNDER THE OFFER.</p>

Caza is a reporting issuer or equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, and Nova Scotia, and files its continuous disclosure documents and other documents with the Securities Regulatory Authorities of those provinces. Such documents are available through the SEDAR website at www.sedar.com. The principal market for the trading of Caza Shares is the TSXV, where the Caza Shares are listed and trade on Tier 2 under the symbol "CZY". The Caza Shares also trade on the Frankfurt Stock Exchange under the symbol "CZ6", and the OTC Pink in the United States under the symbol "CZGDF".

NOTICE TO UNITED STATES SHAREHOLDERS

The tender offer referred to herein is made for the securities of a Canadian issuer and while the offer is subject to Canadian disclosure requirements, investors should be aware that these requirements are different from those of the United States.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the facts that Caza Gold Corp. is incorporated under the laws of British Columbia, Canada and is located in Vancouver, Canada, that the majority of its directors are Canadian residents and that all or a substantial portion of the assets of Caza Gold Corp. and said persons may be located outside of the United States.

TABLE OF CONTENTS

	Page
1 DIRECTORS' CIRCULAR.....	3
2 DIRECTORS' RECOMMENDATION.....	3
3 REASONS FOR RECOMMENDATION	3
4 RECENT DEVELOPMENTS WITH RESPECT TO CAZA.....	4
5 OWNERSHIP OF CAZA SECURITIES BY ITS DIRECTORS, OFFICERS AND INSIDERS	4
CURRENT SHARES HELD BY DIRECTORS AND OFFICERS AND INSIDERS.....	4
PENDING SHARES FOR DEBT ISSUANCES TO DIRECTORS AND OFFICERS AND THIRD PARTIES.....	5
CURRENT STOCK OPTIONS AND WARRANTS HELD BY DIRECTORS, OFFICERS AND INSIDERS	5
6 HOLDINGS OF ROYAL ROAD SHARES BY DIRECTORS, OFFICERS AND OTHERS.....	6
7 ACCEPTANCE OF OFFER.....	6
8 TRADING IN SECURITIES OF CAZA BY DIRECTORS AND OFFICERS	6
9 ISSUANCE OF SECURITIES OF CAZA TO DIRECTORS AND OFFICERS	7
10 ARRANGEMENTS WITH DIRECTORS AND OFFICERS AND OTHER SECURITY HOLDERS OF CAZA.....	7
11 INTEREST IN MATERIAL CONTRACTS OR MATERIAL TRANSACTIONS WITH ROYAL ROAD.....	7
12 STATUTORY RIGHTS OF ACTION	8
13 ABRIDGEMENT OF STATUTORY RIGHTS OF ACTION	8
14 APPROVAL OF DIRECTORS' CIRCULAR.....	8
15 CERTIFICATE.....	8

1 DIRECTORS' CIRCULAR

This Directors' Circular is issued by the Board of Directors of Caza Gold Corp. ("**Caza**" or the "**Company**") in connection with the offer (the "**Offer**") dated January 20, 2017 by Royal Road Minerals Limited (the "**Offeror**") to acquire all of the issued and outstanding common shares of Caza (the "**Caza Shares**") other than any Caza Shares owned directly or indirectly by the Offeror and including any Caza Shares that may become outstanding on the exercise, exchange or conversion of any convertible securities after the date hereof, but before the Expiry Time, for consideration of 0.16 of an ordinary share of the Offeror (a "**Royal Road Share**"), on and subject to the terms and conditions set forth in the Offer to Purchase and Circular (together, the "**Offer Circular**") of the Offeror dated January 20, 2017. The Offer provides for the issuance of 0.16 of the Offeror common shares for each issued and outstanding Caza Share. The Offer will be open for acceptance until the Expiry Time as set out in the Offer Circular.

Reference is made to the Offer Circular for details of the terms and conditions of the Offer. Capitalized expressions, unless otherwise defined herein, shall have the meanings given them in the Offer Circular.

2 DIRECTORS' RECOMMENDATION

The Board of Directors recommends that the holders of Caza Shares accept the Offer and deposit their Caza Shares pursuant to the Offer.

The Board of Directors of Caza has concluded that the Offer is fair and in the best interests of the shareholders and recommends that the holders of the common shares of Caza accept the Offer. The shareholders of Caza should nevertheless consider the Offer carefully and come to their own decision to accept or reject the Offer. Shareholders who are in any doubt as to how to respond to the Offer should consult their investment dealer, lawyer or other advisor.

3 REASONS FOR RECOMMENDATION

The Board of Directors of Caza has carefully considered the Offer. At meetings held on December 5, 2016 and January 5, 2016, the Board of Directors approved the Support Agreement and amendments thereto which provided, among other things, that the Offeror would make an offer to purchase all of the issued and outstanding Caza Shares in exchange for Royal Road Shares, and the Board of Directors considered the Offer and concluded that the Offer should be accepted. The Board of Directors unanimously recommends that holders of Caza Shares deposit their Caza Shares to the Offer. In reaching its conclusion, the Board of Directors considered the following factors:

1. the Board of Directors has concluded that the terms of the Offer are fair to the security holders of Caza;
2. Polygon Mining Opportunity Master Fund ("**Polygon**" or the "**Institutional Shareholder**"), Caza's largest shareholder representing approximately 77.5% of the Caza Shares, as well as all of the directors and officers of Caza have entered into the Lock-Up Agreements pursuant to which they have agreed to deposit to the Offer all Caza Shares held by them, representing approximately 82% of the Caza Shares, subject to certain terms and conditions as set out herein. As a result, there is no impending prospect of a competing offer for the Caza Shares by a third party;
3. the Offeror will continue to be guided by an experienced board of directors and management team, which collectively has extensive project exploration and development, acquisition, corporate finance and other relevant industry experience. The Offer will provide an opportunity for Caza shareholders to continue to participate not only in the development of our projects in Nicaragua, but to participate in the Offeror's interests in Colombia, including its La Golondrina Project; and
4. the Offer represents an opportunity for holders of Caza Shares to increase the liquidity of their current investment in Caza and to participate in the future growth of the Offeror.

Additional factors which the shareholders may deem to be relevant are set out in the section 4 of the Offer Circular.

4 RECENT DEVELOPMENTS WITH RESPECT TO CAZA

The Board of Directors is not aware of any material changes in the affairs of Caza since the date of its last unaudited financial statements dated September 30, 2016, other than as follows:

1. On November 29, 2016, the Company announced the resignations of Jim Defer, Michael Humphries and Mike Adams from the Board of Directors of the Company;
2. On December 6, 2016 (as amended January 6, 2017), the Company announced its approval of a proposed business combination with the Offeror by way of a friendly offer to acquire 100% of the outstanding common shares of Caza. The Parties entered into a support agreement on that date and an amendment thereof on January 6, 2017 pursuant to which Caza's board of directors unanimously agreed to support the Offer;
3. On January 19, 2017, Polygon exercised 1.2 million warrants at an exercise price of \$0.05 per share for total proceeds to the Company of \$60,000. The funds were added to the Company's working capital to allow it to make required property payments to the Nicaraguan government to keep its mineral properties in good standing. The shares underlying these warrants have not been issued;
4. Polygon and the Company have entered into an agreement dated January 19, 2017 amending prior loan agreements and investment agreements. See section 10 titled "Arrangements With Directors And Officers And Other Security Holders Of Caza"; and
5. See the section 5 and the subheading "Pending Shares for Debt Issuances to Directors, Officers and Third Parties" for a description of shares that may be issued to directors and officers of the Company prior to closing of the Offer.

Except as disclosed above or elsewhere in this Director's Circular, Caza is not aware of any negotiation that is currently being undertaken by Caza or is under way in response to the Offer that relates to or would result in:

- (a) an extraordinary transaction such as a merger or reorganization involving Caza or any subsidiary of Caza;
- (b) a purchase, sale or transfer of a material amount of assets by Caza or any subsidiary of Caza;
- (c) an issuer bid or tender offer for or other acquisition of securities by Caza; or
- (d) any material change in the present capitalization or dividend policy of Caza.

The Board of Directors is not aware of any material fact or other matter concerning the securities of Caza that has not been disclosed herein, or disclosed in the Offer, or that has not been generally disclosed, that would reasonably be expected to affect the decision of the holders of Caza Shares to accept or reject the Offer.

5 OWNERSHIP OF CAZA SECURITIES BY ITS DIRECTORS, OFFICERS AND INSIDERS

CAZA SHARES HELD BY DIRECTORS AND OFFICERS AND INSIDERS

None of the directors or officers of Caza, or to the knowledge of Caza, any associate or affiliate of the directors and officers or other insiders of Caza, any associate or affiliate of Caza, any insider of Caza other than its directors or officers, or any person acting jointly in or concert with Caza beneficially owns or exercises control or direction over and shares of Caza except as follows:

Name	Position with the Company	Number of Shares	Percentage of Shares
Brian Arkell ⁽¹⁾	Chief Executive Officer, President and Director	2,558,400	<2%
Philip Yee ⁽¹⁾	Chief Financial Officer and Director	41,583	<1%
Stewart Lockwood ⁽¹⁾	Corporate Secretary and Director	122,222	<1%
Marco Montecinos ⁽¹⁾⁽²⁾	Vice President Exploration	3,654,647	2.6%

Polygon Mining Opportunity Master Fund (3)	N/A - Insider	109,502,499	77.5%
TOTAL SHARES		115,879,351	

Notes:

- (1) The directors and officers of Caza currently beneficially own a total of 6,376,852 Caza Shares and will be entitled to receive a total of 1,020,296 Royal Road Shares pursuant to the Offer. The directors and officers of Caza hold options to purchase 4,083,334 Caza shares. These options will be surrendered to Caza for cancellation for no consideration and cancelled on the Take-up Date.
- (2) The Caza Shares of Mr. Montecinos are beneficially held by Mr. Montecinos as follows: directly (539,583 Caza Shares); and, also by the Montecinos Family Trust, a family trust (3,115,064 Caza Shares).
- (3) Polygon is a Cayman Islands exempted company that operates as a private investment fund which invests primarily in mining companies and other mineral related businesses and opportunities. Polygon is a 'Control Person' and 'related party' of the Company (as defined by securities legislation).

PENDING SHARES FOR DEBT ISSUANCES TO DIRECTORS AND OFFICERS AND THIRD PARTIES

The Company has recently made an application to the TSX Venture Exchange for the approval of the issuance of approximately 7.8 million shares (the "**Debt Issuance**") to certain directors, officers and third parties as follows:

Name	Deemed Amount Settled in Shares	# of Shares (Maximum)
Brian Arkell	C\$161,850	3,237,000
Philip Yee	C\$109,000	2,180,000
Marco Montecinos	C\$50,000	1,000,000
Stewart Lockwood	C\$54,000	1,080,000
Third Parties and a prior Director	C\$17,000	340,000
	C\$391,850	Up to 7,837,000

The Board has determined that the Debt Issuance is fair to the Company and will settle valid and legally due debt of the Company. The Board believes this is a very fair settlement for the Company as the Debt Issuance will settle total debt owing of over \$850,000 and the debtholders will have forgiven over \$450,000 of debt that they would otherwise have legally been entitled to. On closing of the Offer the Debt Issuance will equal approximately 1.25 million shares of the Offeror with a value, based on a \$0.10 per share price, of \$125,000. Shareholders had previously approved Mr. Arkell's management contract which provided for shares for services. Of the shares sought for Mr. Arkell, 3,030,000 shares are for compensation under his management contract. The contracts of Messrs. Yee and Montecinos had been previously approved by independent Board members, or by the Compensation Committee. Approximately 1.57 million of the above shares are for director fees incurred and unpaid over several years. The TSX Venture Exchange has not yet approved the foregoing proposed issuance.

CURRENT STOCK OPTIONS AND WARRANTS HELD BY DIRECTORS, OFFICERS AND INSIDERS

The following table sets out all stock options held by directors, officers and insiders of the Company. All stock options issued by the Company, including those set out below, will be cancelled upon successful completion of the Offer. No Caza securities convertible into Caza Shares have been issued to the directors or officers of Caza during the two year period preceding the date of this Directors' Circular or are currently issued except as follows:

OPTIONS			
Name	Number of Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Philip Yee	41,667	\$0.78	30-April-2017
	350,000	\$0.15	24-March-2019
	525,000	\$0.08	July 3, 2020

OPTIONS			
Name	Number of Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Marco Montecinos	66,667	\$0.78	30-April-2017
	375,000	\$0.15	24-March-2019
	525,000	\$0.08	July 3, 2020
Brian Arkell	500,000	\$0.08	25-Sept-2019
	1,000,000	\$0.08	July 3, 2020
Stewart Lockwood	25,000	\$0.78	30-April-2017
	275,000	\$0.15	24-March-2019
	400,000	\$0.08	July 3, 2020
TOTAL	4,083,334 Share Options		

The following table sets out all warrants held by directors, officers and insiders of the Company.

WARRANTS					
Name			Number of Shares underlying unexercised warrants (#)	Warrant exercise price (\$)	Warrant expiration date
Polygon Mining Master Fund	Opportunity	(1)	86,960,000	\$0.05	31-December-2019

- (1) On January 19, 2017, Polygon exercised 1.2 million warrants to purchase 1.2 million Caza Shares at an exercise price of \$0.05 per share for total proceeds to the Company of \$60,000. The shares underlying these warrants have not been issued. The funds were added to the Company's working capital to allow it to make required property payments to the Nicaraguan government to keep its mineral properties in good standing.

6 HOLDINGS OF ROYAL ROAD SHARES BY DIRECTORS, OFFICERS AND OTHERS

To the knowledge of Caza after reasonable inquiry, as at January 15, 2017 no securities of the Offeror are held by directors or officers of Caza, or by any associate or affiliate of any such director or officer, or by any person or company who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of any class of equity shares of Caza, or by any person or company acting jointly or in concert with any of the foregoing persons.

7 ACCEPTANCE OF OFFER

To the knowledge of Caza after reasonable inquiry, the directors and officers of Caza and their respective associates and affiliates, and Polygon and its associates and affiliates, holding in the aggregate 115,879,351 Caza Shares, representing approximately 82% of the outstanding Caza Shares, intend to accept the Offer and tender their respective Caza Shares pursuant to the Lock-up Agreements. See section 10 "Arrangements With Directors And Officers And Other Security Holders Of Caza". Following the issuance of Caza Shares to Polygon after its exercise of warrants as further described in section 5, Polygon will hold an additional 1,200,000 Caza Shares, all of which will be tendered pursuant to their Lock-up Agreement.

8 TRADING IN SECURITIES OF CAZA BY DIRECTORS AND OFFICERS

None of Caza, the directors and officers and insiders of Caza or, to the knowledge of the directors and officers of Caza after reasonable enquiry, any associate or affiliate of the directors and officers or other insiders of Caza, any associate or affiliate of Caza, or any person acting jointly in or concert with Caza has traded in any securities of Caza during the six month period preceding the date of this Directors' Circular.

9 ISSUANCE OF SECURITIES OF CAZA TO DIRECTORS AND OFFICERS

No Caza Shares, or securities convertible into Caza Shares, have been issued to the directors or officers or other insiders of Caza during the two year period preceding the date of this Directors' Circular which are subject to the Offer except as follows:

SHARES ⁽¹⁾			
Name	Number and Type of Security	Issuance Price (Fair Value)	Date
Brian Arkell	1,308,400 Caza Shares	\$0.03	November 17, 2015
	1,250,000 Caza Shares	\$0.03	April 14, 2015

10 ARRANGEMENTS WITH DIRECTORS AND OFFICERS AND OTHER SECURITY HOLDERS OF CAZA

In May 2016, the Company entered into a loan agreement (the “**Loan Agreement**”) with Polygon pursuant to which Polygon advanced a loan in the principal amount of US\$500,000 (the “**Loan**”) to the Company, as evidenced by a promissory note. The Loan has a maturity date of May 13, 2018 and is payable on demand upon the Company consummating an equity or loan financing with net proceeds of at least US\$2.5 million. The Loan bears interest at the rate of 10% per annum payable quarterly beginning on June 30, 2016. Under the terms of the Offer, Caza and Polygon must enter into agreements to ensure that, in addition to other matters, the Offer will not result in a breach of the Loan Agreement, that the Loan Agreement is amended to extend the maturity date to no sooner than May 13, 2019 and to remove any condition that would allow payment on demand in the event of an equity or loan financing by Caza or the Offeror. On January 19, 2017, Caza and Polygon entered into an agreement to meet these conditions.

In October 2013 and December 2014, the Company entered into an Investment Agreement with Polygon as part of private placement investments by Polygon in the Company of US\$2.5 million and US\$3.8 million respectively. The Investment Agreements contained certain terms and conditions, including minimum Board representation by Polygon and spending restrictions related to the use of proceeds of the funds. Under the terms of the Offer, Caza and Polygon must enter into agreements to ensure that the Investment Agreements will terminate and be of no force and effect, as at 11:59 p.m. (Vancouver time) on the day immediately prior to the Take-up Date. Caza and Polygon are in the process of preparing the required documents referred to above. On January 19, 2017, Caza and Polygon entered into an agreement to meet these conditions.

For full details and a description of all other agreements between the Offeror and any security holders of the Company, including its directors and officers, and Polygon, please refer to the Offer and, in particular, section 12 of the Circular titled “Agreements, Commitments or Understandings”.

11 INTEREST IN MATERIAL CONTRACTS OR MATERIAL TRANSACTIONS WITH ROYAL ROAD

Other than has been disclosed herein or in the Offer, none of the directors or officers of Caza or their associates or affiliates or, to the knowledge of the directors and officers of Caza after reasonable enquiry, any person who owns more than 10% of any class of equity securities of Caza for the time being outstanding has have any interest in any material contract to which the Offeror is a party.

12 STATUTORY RIGHTS OF ACTION

Securities legislation in the provinces and territories of Canada provides security holders of Caza with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

13 ABRIDGEMENT OF STATUTORY RIGHTS OF ACTION

Under National Instrument 62-104 *Take-Over Bids and Issuer Bids*, the Offeror is required to allow the shares which are the subject of the Offer to be deposited under the Offer for an initial deposit period of at least 105 days unless the Company's Board agrees to abridge this time period in which case, the initial deposit period may not be less than 35 days. The Board of Directors has agreed to abridge the initial deposit period to 35 days, providing for an initial expiry time of February 27, 2017.

14 APPROVAL OF DIRECTORS' CIRCULAR

The contents of this Directors' Circular have been approved, and delivery thereof has been authorized, by the Board of Directors of Caza Gold Corp.

15 CERTIFICATE

Dated: January 20, 2017

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

On Behalf of the Board of Directors

(Signed) Brian Arkell
Director

(Signed) Philip Yee
Director

(Signed) Stewart Lockwood
Director