

**MERYLLION RESOURCES CORPORATION**

**Notice of Annual General and Special Meeting of Shareholders  
and  
Management Proxy Circular**

**May 16, 2016**



**MERYLLION RESOURCES CORPORATION**  
**303 – 750 West Pender Street**  
**Vancouver, British Columbia**  
**V6C 2T7**  
**Notice of Annual General and Special Meeting of Shareholders**  
**May 16, 2016**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting of the shareholders of Meryllion Resources Corporation (the “Company”) will be held on Wednesday, June 29, 2016 at 10:00 AM (Pacific time) (the “Meeting”), at 1800-355 Burrard St., Vancouver, British Columbia for the following purposes:

1. to receive the audited consolidated financial statements for the year ended September 30, 2015, together with the auditor’s report thereon (the “Financial Statements”);
2. to set the number of directors at four (4) for the ensuing year;
3. to elect directors for the ensuing year;
4. to appoint Crowe MacKay LLP, Chartered Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, pass, with or without variation, a special resolution, the full text of which is described under the heading “Particulars of Matters to be Acted Upon – Approval of the Reorganization” of the Company’s management information circular, authorizing the Company: (i) to dispose of Huayra Minerals Corp., a wholly-owned subsidiary of the Company, and (ii) to enter into debt settlement agreements to extinguish debts owed to certain creditors; and
6. to transact such other business as may properly be put before the Meeting or any adjournment or adjournments thereof.

The board of directors has fixed Wednesday, May 11, 2016, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment(s) thereof.

The Company has decided to use the notice and access model (“Notice and Access”) provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities* for the delivery of the Management Proxy Circular, the Financial Statements and related Management’s Discussion and Analysis (collectively, the “Meeting Materials”) to shareholders for the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs. Specifically, shareholders may access the Meeting Materials either through the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) or through the Company’s website at [www.meryllionresources.com](http://www.meryllionresources.com).

**The Company urges shareholders to review this Management Proxy Circular before voting.**

*Requesting Printed Meeting Materials*

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date the Circular was filed on SEDAR. Shareholders wishing to obtain printed copies of the Meeting Materials prior to the Meeting or who wish to receive more

information on the notice and access system must do so no later than five business days in advance of the proxy deposit date and Meeting date. Shareholders may make their request through the Company's website, [www.meryllionresources.com](http://www.meryllionresources.com), or by calling 1-844-221-7982.

*Voting*

For Registered holders, they can vote online at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-732-8683 by entering the 15-digit control number located on the proxy form and following the instructions provided.

For NOBO holders (Non-Objecting beneficial holders), they can vote online at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-734-8683 by entering the 15-digit control number located on the voting instruction form and following the instructions provided.

For OBO holders (Objecting Beneficial holders), they can vote online at [www.proxyvote.com](http://www.proxyvote.com) or by telephone at 1-800-474-7493 (Canada) or 1-800-454-8683 (Unites States) by entering the 12-digit control number located on the voting instruction form and following the instructions provided.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it to Computershare Trust Company of Canada ("Computershare") in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular. If a shareholder does not deliver a proxy to Computershare by 10:00 AM (Pacific time) on Monday, June 27, 2016, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the proxy is to be used, then the shareholder will not be entitled to vote at the Meeting by proxy.**

**DATED** at Vancouver, British Columbia, the 16th day of May, 2016.

**ON BEHALF OF THE BOARD**

"John Fognani"

John Fognani  
Director

**MERYLLION RESOURCES CORPORATION**

303 – 750 West Pender Street  
Vancouver, British Columbia, V6C 2T7

**MANAGEMENT PROXY CIRCULAR**

**SOLICITATION OF PROXIES**

**This management proxy circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of Meryllion Resources Corporation (“Meryllion” or the “Company”) for use at the annual general and special meeting of its shareholders to be held on Wednesday, June 29, 2016 (the “Meeting”), at the time, place, and for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).**

To help you make an informed decision, this Circular tells you about, among other things, the Meeting, the nominees for election as directors, the proposed auditors, the Company's governance practices and the compensation of the Company's directors and executive officers. Your proxy is solicited by the Company's management, and solicitation will be made by directors, officers and regular employees of the Company personally, by telephone, by mail or by electronic means of communication. All costs associated with this solicitation of proxies will be borne by the Company.

The board of directors of the Company (the “Board”) has fixed the close of business on May 11, 2016, as the record date, being the date for the determination of the registered shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”).

In this document, “shareholder” refer to holders of common shares of the Company and the term “shares” or “common shares” refers to the Company’s common shares without par value. This Circular is dated May 16, 2016. The information in this document is current to May 16, 2016, unless otherwise indicated.

**APPOINTMENT OF PROXYHOLDERS**

The individuals named in the form of proxy (the “Proxy”) are directors and officers of the Company. **A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the Proxy, and may do so either by inserting the name or names of such persons in the blank space provided in the Proxy or by completing another proper Proxy.**

A shareholder forwarding the Proxy may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate position. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the position opposite the item should be left blank. The shares represented by the Proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the Proxy.

An appointment of a proxyholder or alternate proxyholders will not be valid unless a Proxy making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing, is delivered to Computershare Trust Company of Canada (“Computershare”) by mail or by hand to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by 10:00 AM local time, on Monday, June 27, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

## REVOCATION OF PROXIES

You can revoke a vote you made by proxy by:

- (a) voting again by telephone, email or on the Internet before 10:00 AM (Pacific time) on June 27, 2016;
- (b) completing a proxy form that is dated later than the proxy form you are changing, and mailing it or faxing it to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, 1-866-249-7775 Canada and USA and 416-263-9524 international, so that it is received by 10:00 AM (Pacific time) on June 27, 2016;
- (c) sending a notice in writing revoking your proxy from you or your authorized attorney (or, if the shareholder is a corporation, by a duly authorized officer) to the Corporate Secretary of the Company so that it is received by 10:00 AM (Pacific time) on June 27, 2016; or
- (d) giving a notice in writing revoking your proxy from you or your authorized attorney (or, if the shareholder is a corporation, by a duly authorized officer) to the chair of the Meeting, at the Meeting.

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

## EXERCISE OF DISCRETION

The person named in the Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing him. **If there is no direction by the shareholder in respect of a particular matter, such shares will be voted in favour of such matter. The Proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified or referred to in the Notice of Meeting and this Circular and with respect to any other matters, which may properly come before the Meeting.** As of the date of this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any such or other matters which are not now known to management should properly come before the Meeting, the shares will be voted on such matters in accordance with the best judgment of the person named in the Proxy.

## VOTES NECESSARY TO PASS RESOLUTIONS

The Company's articles of incorporation (the "Articles") provide that the quorum for the transaction of business at the Meeting is at least two shareholders entitled to vote at the Meeting, whether appearing in person or by proxy, who hold common shares carrying, in the aggregate, not less than five per cent (5%) of the issued shares entitled to vote at the Meeting.

Pursuant to the *Business Corporations Act* (British Columbia) (the "BCBCA") and the Articles, a simple majority of the votes cast by shareholders at the Meeting is required to pass an ordinary resolution and a majority of two-thirds of the votes cast at the Meeting is required to pass a special resolution.

At the Meeting, shareholders will be asked to consider and, if thought advisable, to: (i) pass an ordinary resolution to set the number of directors of the Board at four (4); (ii) elect directors to the Board; (iii) appoint auditors for the ensuing year and authorize the directors to set their remuneration; and (iv) approve, by special resolution, the Reorganization Resolution (as hereinafter defined).

## NOTICE AND ACCESS

The Company has decided to use the notice and access model (“Notice and Access”) provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities* for the delivery of the Circular, Financial Statements (as defined below) and Management’s Discussion and Analysis (collectively, the “Meeting Materials”) to shareholders for the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs. Specifically, the shareholders may access the Meeting Materials on the Company’s website at [www.meryllionresources.com](http://www.meryllionresources.com) as of June 2, 2016, and they will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of June 2, 2016.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a notice (an “Access Notice”) with information on the Meeting date, location and purpose, as well as information on how they may access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials and those shareholders with addresses outside Canada and the United States will receive a printed copy of the Meeting Materials with the Access Notice.

As provided in the Notice of Meeting, the Meeting will be held on June 29, 2016 at 10:00 AM (Pacific Time) at 1800-355 Burrard St., Vancouver, British Columbia, for the purposes described in this Circular.

**The Company urges shareholders to review this Circular before voting.**

### *Requesting Printed Meeting Materials*

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date this Circular was filed on SEDAR. Registered shareholders may make their request through the Company’s website, [www.meryllionresources.com](http://www.meryllionresources.com), or by calling 1-844-221-7982. Non-registered shareholders may make their request online at [www.ProxyVote.com](http://www.ProxyVote.com) or by phoning the number above. To receive the Meeting Materials in advance of the proxy deposit date and Meeting Date, the Company must receive requests for printed copies at least five business days in advance of the proxy deposit date and time.

## VOTING BY NON-REGISTERED HOLDERS

Only registered shareholders (“Registered Holders”) or duly appointed proxy holders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (a “Non-Registered Holder”) in respect of shares which are held either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”. In accordance with applicable securities laws, the Company has elected to send the notice and access notification directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for

forwarding the notice and access notification to each OBO, unless the OBO has waived the right to receive them.

Intermediaries often use service companies to forward the Notice to Non-Registered Holders. The Company will pay the fees and cost of the Intermediaries for their services in delivering the NOBOs but will not pay for delivery of materials to the OBOs. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

An OBO will not receive meeting materials unless the OBO's Intermediary assumes the cost of delivery.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management proxy holders named in the form and insert the Non-Registered Holder's name in the blank space provided. **Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

A Non-Registered Holder may revoke a Proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Holder's shares of the Company are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

Both NOBOs and OBOs can vote online or via telephone. For NOBOs, they can vote online at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-734-8683 by entering the 15-digit control number located on the voting instruction form and following the instructions provided. For OBOs, they can vote online at [www.proxyvote.com](http://www.proxyvote.com) or by telephone at 1-800-474-7493 (Canada) or 1-800-454-8683 (United States) by entering the 12-digit control number located on the voting instruction form and following the instructions provided.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized share capital consists of an unlimited number of Common shares without par value. As of May 16, 2016, the Company has issued 17,125,510 fully paid and non-assessable Common shares, each carrying the right to one vote.

A holder of record of one or more Common shares on the Record Date who either attends the Meeting personally or deposits a Proxy in the manner and subject to the provisions set forth above will be entitled to vote or have such share or shares voted at the Meeting except to the extent:

- (a) the shareholder has transferred the ownership of any such share after the Record Date; and



- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred shares and makes a demand to Computershare no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company:

<b>Member</b>	<b>Number of Shares</b>	<b>Percentage of Issued Capital</b>
David Birkenshaw <sup>(1)</sup>	2,848,900	16.64%

**Notes:**

(1) On April 18, 2016, David Birkenshaw transferred his 2,848,900 common shares to Aggregate Advisors Inc.

As at May 16, 2016, management and the directors of the Company and their associates or affiliates did not own or control any common shares in the capital of the Company.

### NUMBER OF DIRECTORS

Management of the Company is seeking shareholder approval through an ordinary resolution to fix the number of directors at four (4) for the ensuing year.

### ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by management of the Company will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out information regarding nominees for election as directors including the names, province or state and country of residence of the nominees for election as directors, the offices they hold within the Company, their principal occupations, business or employment within the five preceding years, the period or periods during which each director has served as a director, and the number of shares of the Company and its subsidiaries which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

<b>Name, province or state and country of residence and positions, current and former, if any, held in the Company</b>	<b>Principal occupation for last five years</b>	<b>Served as director since</b>	<b>Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present<sup>(1)</sup></b>
<b>Zula Kropivnitski</b> British Columbia, Canada <i>Director and CFO</i>	CFO of Planet Mining Exploration, former CFO of Electric Metals Inc. and Iron Tank Resources Corp., former controller of African Queen Mines and Sacre-Coeur	October 23, 2015	Nil

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
	Minerals, certified general accounting with over 10 years of experience, mainly with public companies listed on Canadian stock exchanges.		
<b>John Fognani</b> <sup>(2)(3)(4)</sup> Colorado, USA <i>Director</i>	Founding member at Fognani & Fraught PLLC in 2002, and served as Vice President – Legal and General Counsel of Ivanhoe Capital Corporation (investment company) and Ivanhoe Mines Ltd. From January 2003 to December 2012. Resumed full time practice of law as of January 2013 and currently a partner with Haynes & Boones LLP.	October 7, 2013	Nil <sup>(5)</sup>
<b>Ben Gelfand</b> <sup>(2)(3)(4)</sup> Toronto, Canada <i>Director</i>	Managing Director of Investment Banking at Trapeze Capital, 29 years of investment management experience in areas of institutional sales, retail sales, corporate finance, public finance and fixed income trading, experience at Fidelity Investments and Merrill Lynch in the United States and Canada.	February 26, 2016	Nil
<b>Alan Grant</b> <sup>(2)</sup> Toronto, Canada <i>Director</i>	Chairman and CEO of Signal Fire Communications, founder of World Passport in 1988, a company dedicated to loyalty and client retention initiatives in the United States and Canada.	February 26, 2016	Nil

**Notes:**

- (1) The information as to common shares beneficially owned or controlled has been provided by the directors themselves.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance and Nominating Committee.
- (5) Mr. Fognani holds 100,000 options to purchase an aggregate 100,000 common shares of the Company.

The Company does not have an executive committee of its Board. The Company has appointed a Compensation Committee, an Audit Committee and a Corporate Governance and Nominating Committee.

**Corporate Cease Trade Orders or Bankruptcies**

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

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days; or

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

No director, or proposed director, of the Company is, or within the ten years prior to the date of this Circular has been, 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.

### **Penalties or Sanctions**

Except as disclosed above, none of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

For the purposes of this Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) the chief executive officer (“CEO”) of the Company;
- (b) the chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at September 30, 2015 whose total compensation was, individually, more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at September 30, 2015.

During the year ended September 30, 2015, the Company had six (6) NEOs being: (i) Terry Krepiakevich, former CEO; (ii) David Birkenshaw, CEO; (iii) Zula Kropivnitski, CFO; (iv) Alex Bayer, former Chief Legal Officer and Corporate Secretary; (v) Cassandra Gee, Corporate Secretary; and (vi) Saurabh Handa; former CFO.

### **Compensation Discussion & Analysis**

#### *Overview*

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill and experience levels and the existing stage of development of the Company. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Company’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

*Compensation Committee*

The Board has established a Compensation and Benefits Committee (the “Compensation Committee”) that is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company’s executive officers. The Compensation Committee ensures that total compensation paid to all active NEOs is fair and reasonable and is consistent with the Company’s compensation philosophy.

The Compensation Committee is comprised of John Fognani (Chair) and Ben Gelfand, both of whom are independent directors of the Company and have the skills and experience necessary to enable them to deal with compensation matters. See information regarding the skills and experience of each Compensation Committee member please see the section entitled “*Election of Directors*” in this Circular.

*Elements of Compensation*

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officer functions are provided by way of an administrative and corporate development agreement with Preakness Management Ltd. for a monthly administration fee of \$10,000 per month. Second, the Board awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The following table provides each element of compensation and the link to both the compensation and corporate objectives:

<b>Compensation Element</b>	<b>Link to Compensation Objective</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives
Bonuses	Motivate and Reward	Short-term incentives motivates and reward senior officers to increase Shareholder value by the achievement of short term –corporate strategies and objectives
Stock Options	Motive and Reward Align interest with shareholders	Long-term incentive motivate and reward senior officers to increase Shareholder value by the achievement of long terms corporate strategies and objectives

It is the Company’s position that it is improper and inappropriate for any personnel of the Company to engage in short term or speculative transactions involving the Company’s securities. It is the policy of the Company that NEOs and their related parties should not engage in any such transactions, including, for example, short sales (*i.e.*, selling stock such person does not own and borrowing the shares to make delivery) and buying or selling puts, calls or other derivatives in securities of the Company.

All compensation is subject to and dependent on the Company’s financial resources and prospects.

## Options Based Awards

Stock option grants are made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

## Summary Compensation Table

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial years ended September 30, 2015, 2014 and 2013. Note the Company was incorporated on July 5, 2013. For the financial year ended 2013, the Company was a wholly owned subsidiary of Concordia Resources Corp. (now Kaizen Discovery Inc.) and did not pay any salaries to the NEOs.

Name and Principal position	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(9)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David Birkenshaw <sup>(4)</sup> Chief Executive Officer	2015	\$185,000	N/A	\$22,076	N/A	N/A	N/A	N/A	\$207,076
Zula Kropivnitski <sup>(5)</sup> Chief Financial Officer	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Terry Krepiakovich <sup>(5)</sup> Chief Executive Officer	2015	\$12,500	N/A	N/A	N/A	N/A	N/A	N/A	\$5,882
	2014	\$75,000	N/A	\$37,787	N/A	N/A	N/A	\$134,317	\$241,104
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alex Bayer <sup>(6)(9)</sup> Chief Legal Officer and Corporate Secretary	2015	\$45,765	N/A	N/A	N/A	N/A	N/A	\$100,000	\$142,650
	2014	\$142,500	N/A	\$14,958	N/A	N/A	N/A	\$6,586	\$164,044
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cassandra Gee <sup>(7)</sup> Corporate Secretary	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Saurabh Handa <sup>(8)(9)</sup> Chief Financial Officer	2015	\$80,163	N/A	N/A	N/A	N/A	N/A	\$100,000	\$177,048
	2014	\$142,500	N/A	\$14,958	N/A	N/A	N/A	\$8,080	\$165,538
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Individual Bankruptcies

No director, or proposed director, of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

**Notes:**

- (1) Company's financial year end is September 30.
- (2) This column includes the grant date fair value of all options granted and vested during the year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with International Financial Reporting Standards. The fair values were estimated using the Black-Scholes valuation model with the assumptions as described in the Note 13(d) to the Company's consolidated financial statements for the year ended September 30, 2015. The grant date fair value is not necessarily the value of the option to the individual over time, or the value that might ultimately be derived from the exercise of such options. The Black-Scholes option pricing model has been used to determine grant date fair value due to its wide acceptance across industry as an options valuation model, and because it is the same model the Company uses to value options for financial reporting purposes. The stock options granted to the Company's directors vest over a period of 36 months (1/3 on the grant date and 1/3 every 12 months thereafter) in accordance with the minimum vesting requirements of the Stock Option Plan.
- (3) Mr. Krepiakovich is no longer an officer of the Company. Mr. Krepiakovich served as CEO from July 23, 2013 to November 14, 2014. Options in the amount of \$6,618 were extinguished as a result of Mr. Krepiakovich terminating his employment with the Company.
- (4) Mr. Birkenshaw served as CEO from November 14, 2014 to October 23, 2015.
- (5) Ms. Kropivnitski was appointed CFO on March 1, 2015.
- (6) Mr. Bayer is no longer an officer of the Company. Mr. Bayer served as Chief Legal Officer and Corporate Secretary from November 21, 2013 to February 28, 2015. Options in the amount of \$3,115 were extinguished as a result of Mr. Bayer terminating his employment with the Company.
- (7) Ms. Gee was appointed Corporate Secretary on March 1, 2015.
- (8) Mr. Handa is no longer an officer of the Company. Mr. Handa served as CFO from November 21, 2013 to February 28, 2015. Options in the amount of \$3,115 were extinguished as a result of Mr. Handa terminating his employment with the Company.
- (9) Other benefits consist solely of health benefits.

Significant factors necessary to understand the information disclosed in the Summary Compensation Table above are as follows:

*Fair Value of Stock Option Grants*

The fair values of stock options granted are estimated on the dates of grants using the Black-Scholes option pricing model. Please refer to note 13 of the Company's consolidated financial statements for the years ended September 30, 2015 for the assumptions used for valuing stock options.

*Employment Agreements*

As of September 30, 2015, there were no employment agreements between the Company and any of its NEOs, and there were no compensatory plan(s) or arrangement(s), 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 any NEO's responsibilities following a change of control. The Company has entered into an administrative and corporate development services agreement with Preakness Management Ltd. for a monthly administrative fee of \$10,000 per month effective March 1, 2015. Ms. Kropovnitski and Ms. Gee are employees of Preakness Management Ltd.

**INCENTIVE PLAN AWARDS**

**Outstanding Share Based Awards and Option Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
David Birkenshaw <sup>(2)</sup> CEO	425,000	\$0.30	December 11, 2018	Nil	N/A	N/A	N/A
Zula Kropivnitski CFO	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Terry Krepiakovich <sup>(1)</sup> CEO	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Alex Bayer <sup>(3)</sup> CLO and Corporate Secretary	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Cassandra Gee Corporate Secretary	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Saurabh Handa <sup>(4)</sup> CFO	Nil	Nil	N/A	Nil	N/A	N/A	N/A

**Notes:**

- (1) Mr. Krepiakovich is no longer an officer of the Company. Mr. Krepiakovich served as CEO from July 23, 2013 to November 14, 2014.
- (2) Mr. Birkenshaw served as CEO from November 14, 2014 to October 23, 2015.
- (3) Mr. Bayer is no longer an officer of the Company. Mr. Bayer served as Chief Legal Officer and Corporate Secretary from November 21, 2013 to February 28, 2015.
- (4) Mr. Handa is no longer an officer of the Company. Mr. Handa served as CFO from November 21, 2013 to February 28, 2015.

**Incentive Plan Awards – Value Vested or earned During the Year**

During the financial year ended September 30, 2015, the Company did not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the NEOs.

The following table sets forth details of the value of all stock options that vested during the financial year ended September 30, 2015 for each of the NEOs:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David Birkenshaw <sup>(2)</sup> CEO	\$22,076	N/A	N/A
Zula Kropivnitski CFO	Nil	N/A	N/A
Terry Krepiakovich <sup>(1)</sup> CEO	Nil	N/A	N/A
Alex Bayer <sup>(3)</sup> Chief Legal Officer and Corporate Secretary	Nil	N/A	N/A
Cassandra Gee	Nil	N/A	N/A

Corporate Secretary			
Saurabh Handa <sup>(4)</sup> CFO	Nil	N/A	N/A

**Notes:**

- (1) The “value vested during the year” with respect to the stock options is calculated using the closing price of the Common Shares on the CSE on the vesting dates less the respective exercise price of the options.
- (2) Mr. Krepiakovich is no longer an officer of the Company. Mr. Krepiakovich served as CEO from July 23, 2013 to November 14, 2014.
- (3) Mr. Birkenshaw was appointed CEO on December 14, 2014.
- (4) Mr. Bayer is no longer an officer of the Company. Mr. Bayer served as Chief Legal Officer and Corporate Secretary from November 21, 2013 to February 28, 2015.
- (5) Mr. Handa is no longer as officer of the Company. Mr. Handa served as CFO from November 21, 2013 to February 28, 2015.

**Other Compensation and Pension Benefits**

The Company does not have any pension, retirement or deferred compensation plans, including defined benefit or defined contribution plans.

**Termination and Change of Control Benefits**

Neither the Company nor its subsidiaries have entered into any compensatory plan(s) or arrangement(s) in respect of compensation received or that may be received by any of the NEOs during the Company’s most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in control that exceed the amounts generally payable under statutory or common law rules for notice of termination without cause or compensation in lieu thereof, other than as set out herein.

**DIRECTOR COMPENSATION**

**Director Compensation**

The following table describes all amounts of compensation provided to the directors of the Company, who are not also NEOs, for the year ended September 30, 2015:

Director Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Greg Shenton <sup>(1)</sup>	\$6,250	Nil	(\$1,557)	N/A	N/A	Nil	\$4,693
Borden Putnam <sup>(2)</sup>	\$25,000	Nil	\$5,194	N/A	N/A	Nil	\$30,194
John Fognani	\$25,000	Nil	\$5,194	N/A	N/A	Nil	\$30,194
Alan Grant	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Ben Gelfand	Nil	Nil	Nil	N/A	N/A	Nil	Nil

**Notes:**

- (1) Mr. Shenton is no longer a director of the Company. Mr. Shenton served as director from October 2013 to February 26, 2015.
- (2) Mr. Putnam is no longer a director of the Company. Mr. Putnam served as director from October 2013 to February 26, 2016.



**OUTSTANDING SHARE BASED AWARDS AND  
OPTION BASED AWARDS**

The following table sets forth information concerning all awards outstanding under the incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors who was not, during the year ended September 30, 2015, also an NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Greg Shenton <sup>(1)</sup>	Nil	Nil	N/A	Nil	Nil	Nil	Nil
Borden Putnam <sup>(2)</sup>	100,000	\$0.30	December 11, 2018	Nil	Nil	Nil	Nil
John Fognani	100,000	\$0.30	December 11, 2018	Nil	Nil	Nil	Nil
Alan Grant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ben Gelfand	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Mr. Shenton is no longer a director of the Company. Mr. Shenton served as director from October 2013 to February 26, 2015.  
 (2) Mr. Putnam is no longer a director of the Company. Mr. Putnam served as director from October 2013 to February 26, 2016.

**INCENTIVE PLAN AWARDS-VALUE VESTED OR EARNED DURING THE YEAR**

The following table sets out the value vested or earned under incentive plans during the year ended September 30, 2015 for each director who was not, during the year ended September 30, 2015, also an NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Fognani	\$5,194	N/A	N/A
Borden Putnam <sup>(2)</sup>	\$5,194	N/A	N/A

**Notes:**

- (1) The “value vested during the year” with respect to the stock options is calculated using the closing price of the Common Shares on the applicable stock exchange on the vesting dates less the respective exercise price of the options.  
 (2) Mr. Putnam served as director from October 2013 to February 26, 2016.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

**Information Concerning the Stock Option Plan**

The following information sets out equity compensation information is as of the date hereof:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)(c)) (a)(c)</b>
Equity compensation plans approved by securityholders	550,000	\$0	1,593,826
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	550,000	\$0	1,593,826

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

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

The Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company or is a proposed nominee for election as a director of the Company (or an associate or affiliate of such director, director nominee or executive officer) at any time since the beginning of the Company's last financial year.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

An informed person is one who, in general terms, is a director or executive office, or holds more than 10% of the issued and outstanding voting shares of a company.

On April 29, 2016, the Company entered into a debt settlement agreement with John Fognani, a director of the Company, to settle and extinguish the amount of \$25,000 owed to Mr. Fognani for past services rendered, and upon shareholder approval, the Company will issue 833,333 common shares in the capital of the Company to Mr. Fognani at a deemed price of \$0.03 per share.

On April 29, 2016, the Company entered into a debt settlement agreement with David Birkenshaw, a former director and former executive officer of the Company, to settle the amount of \$43,353 owing to Mr. Birkenshaw, and upon shareholder approval the Company will issue 1,445,112 common shares in the capital of the Company to Mr. Birkenshaw at a deemed price of \$0.03 per share.

On April 29, 2016, the Company entered into a debt settlement agreement with Preakness Management Ltd., which provides management, administrative and corporate development services to the Company, to settle the amount of \$21,000 owing to Preakness Management Ltd., and upon shareholder approval, the Company will issue 700,000 common shares in the capital of the Company to Preakness Management Ltd. at a deemed price of \$0.03 per share.

Except as set forth above, no other person who has been a director or executive officer of the Company or a subsidiary of the Company at any time during the Company's last financial year, nor any proposed nominees for election to the Board, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or its subsidiaries.

### **MANAGEMENT CONTRACTS**

The Company has entered into an administrative and corporate development services agreement with Preakness Management Ltd. for a monthly administrative fee of \$10,000 per month effective March 1, 2015. As of the date of this Circular, Ms. Kropovnitski, CFO of the Company, and Ms. Gee, Corporate Secretary of the Company, are employees of Preakness Management Ltd.

### **APPOINTMENT OF AUDITOR**

The management of the Company intends to nominate Crowe MacKay LLP, Chartered Accountants, for re-appointment as auditor of the Company. Forms of proxy given pursuant to the solicitation by management of the Company will, on any poll, be voted as directed and, if there is no direction, they will be voted "for" the re-appointment of Crowe MacKay LLP, Chartered Accountants, as auditor of the Company to hold office until the close of the next annual general meeting of the Company, at a remuneration to be fixed by the directors. Crowe MacKay LLP, Chartered Accountants, was first appointed as auditor of the Company in 2013.

### **AUDIT COMMITTEE**

The Company is a "venture issuer" as that term is defined under National Instrument 52-110 – *Audit Committee* ("NI 52-110"). 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.

The Company is required under Section 224(2) of the BCBCA to have an audit committee comprised of not less than three directors, a majority of whom are not officers or employees of the Company or of an affiliate of the Company.

#### **Audit Committee Charter**

The text of the audit committee's charter is attached as Schedule "B" to this Circular.

#### **Composition of Audit Committee and Independence**

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment.

Currently, the members of the Audit Committee are John Fognani, Alan Grant and Ben Gelfand. All three members are independent.

#### **Relevant Education and Experience**

NI 52-110 provides that an individual is “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’s financial statements.

All of the current members of the Audit Committee are financially literate as that term is defined.

Based on their business and educational experiences, each current member of the audit committee has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of 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 an understanding of internal controls and procedures for financial reporting.

***John Fognani, member of the Audit Committee***

Mr. Fognani has over 38 years of practice experience in natural resources and environmental law, including transactions and litigation. He has advised numerous clients on matters pertaining to Sarbanes Oxley, initial public offerings, private placements, equity arrangements and financings. Mr. Fognani has been involved in the preparation of transactional and financial documents for U.S., Canadian and Asian companies.

***Alan Grant, member of the Audit Committee***

Mr. Grant brings over 30 years of business experience and is currently Chairman and CEO of Signal Fire Communications. Mr. Grant founded World Passport in 1988, a company dedicated to loyalty and client retention initiatives in Canada and the U.S.

***Ben Gelfand, member of the Audit Committee***

Mr. Gelfand is currently the Managing Director of Investment Banking at Trapeze Capital, and has 29 years of investment management experience in areas of institutional sales, retail sales, corporate finance, public finance and fixed income trading. Mr. Gelfand has prior experience at Fidelity Investments and Merrill Lynch in the United States and Canada.

**Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

**Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*).

## Pre-Approval Policies and Procedures

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

## Audit Fees

The following table sets forth the fees paid by the Company to Crowe MacKay LLP, for services rendered for the fiscal year ended September 30, 2015:

	<u>2014</u>	<u>2015</u>
Audit fees <sup>(1)</sup>	\$25,000	\$19,380
Audit-related fees <sup>(2)</sup>	\$17,340	\$8,670
Tax fees <sup>(3)</sup>	Nil	Nil
All other fees	Nil	Nil
<b>Total</b>	<b>\$42,340</b>	<b>\$28,050</b>

### Notes:

- (1) The aggregate audit fees billed by the Company's auditor (or accrued).
- (2) The aggregate fees billed (or accrued) for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (3) The aggregate fees billed (or accrued) for professional services rendered for tax compliance, tax advice and tax planning.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201 – *Corporate Governance Guidelines*. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

### Board of Directors

Management is nominating four (4) individuals to the Board, three of whom are "independent" as defined in NI 52-110.

The Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. Of the proposed nominees, Ms. Kropivnitski has a "material relationship" with the Company, as Ms. Kropivnitski is Chief Financial Officer of the Company. Accordingly she is not considered to be "independent" within the meaning of NI 52-110. The other nominees are considered by the Board to be "independent" within the meaning of NI 52-110.

### Directorships

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

- Zula Kropivnitski is a director of Planet Mining Exploration Inc.

## **Orientation and Continuing Education**

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development, the Board does not feel it is necessary to have such policies or programs in place.

## **Ethical Business Conduct**

The current limited size of the Company's operations allows the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. To formalize the desire for conducting business with integrity, the Board has adopted a Code of Business Conduct and Ethics, a copy of which is available for viewing at the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Company has also adopted a whistleblower policy to ensure all employees have an avenue to report unethical conduct.

## **Nomination and Assessment**

The Board has formed a Nominating and Corporate Governance Committee to make recommendations to the Board regarding potential Board members. The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

## **Compensation**

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements, which currently consist of incentive stock options and compensation in the amount of \$25,000 per annum for board members adequately reflects the responsibilities and risks involved in being an effective director of the Company. The overall remuneration is determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. The Board has appointed a fully independent Compensation Committee composed of John Fognani (Chair) and Ben Gelfand.

## **Other Board Committees**

At the present time, the only standing committees are the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee.

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

## **APPROVAL OF THE REORGANIZATION**

### **Background to Reorganization**

The Company has decided to cease its mineral exploration activities in South America with a view to pursuing new business opportunities elsewhere. In order to facilitate the pursuit of new business opportunities, the Company intends to reorganize itself by disposing of all of its South American mineral exploration assets and negotiating the settlement of certain related liabilities (collectively, the "Reorganization"). The Reorganization contemplates two inter-related transactions: (i) the disposition of

the Company's wholly-owned subsidiary, Huayra Minerals Corp. (the "**Huayra Disposition**"), and (ii) the extinguishment of liabilities in the aggregate amount of \$220,887 in exchange for the issuance of fully paid common shares of the Company (the "**Debt Settlement**").

### **Huayra Disposition**

Pursuant to a purchase and sale agreement dated April 22, 2016 (the "**Huayra Purchase Agreement**") between the Company and Fitzcarraldo Ventures Inc. ("**Fitzcarraldo**"), the Company has agreed to sell, and Fitzcarraldo has agreed to purchase, all the issued and outstanding shares in the capital of the Company's wholly-owned subsidiary, Huayra Minerals Corp. ("**Huayra**") in consideration for the sum of \$10.00 and the assumption by Fitzcarraldo of any and all liabilities of Huayra's wholly-owned subsidiary, Meryllion Argentina S.A. ("**Meryllion Argentina**").

The shares of Meryllion Argentina constitute the only asset of Huayra. Meryllion Argentina holds rights to certain mineral properties in Argentina and undertakes mineral exploration activities thereon. Although the Company has decided to curtail any further mineral exploration activities on Meryllion Argentina's properties, the principals of Fitzcarraldo, some of whom were formerly officers and employees of Meryllion Argentina, have indicated a willingness to continue pursuing the mineral exploration activities in Argentina formerly conducted by the Company and have requested that the Company enter into the Huayra Purchase Agreement in order to effect the Huayra Disposition to Fitzcarraldo rather than relinquishing Meryllion Argentina's mineral property interests in Argentina or otherwise allowing them to lapse.

### **Debt Settlement Agreements**

As of May 16, 2016, the Company owed in aggregate \$220,887 in outstanding debts (the "**Debts**") to certain creditors (collectively, the "**Creditors**", and each, a "**Creditor**") for past services rendered to Meryllion and its subsidiaries. The Debts range in amounts from \$4,672 to \$43,353 and certain present and former directors and officers of the Company and its subsidiaries. Debts owed to present and former directors and officers of the Company and its subsidiaries who are Creditors total \$68,353 and the largest Debt owed to a single Creditor who is a present or former director and/or officer of the Company is \$43,353 owed to David Birkenshaw.

The Company has entered into debt settlement agreements (the "**Debt Settlement Agreements**") with each of the Creditors to effect a full and final settlement of the Debts by way of the issuance of common shares of the Company (collectively, the "**Debt Settlement Transactions**"). Under the terms of the Debt Settlement Agreements, the Company has agreed to issue to the Creditors a total of 7,362,910 common shares, at a deemed price of \$0.03 per share (the "**Settlement Shares**") in order settle and extinguish all of the Debts. Upon issuance, the Settlement Shares will be subject to a four month hold period.

### **Requirement for Shareholder Approval**

Insofar as the Huayra Disposition may constitute a disposition by the Company of all or substantially all of its assets and undertaking, the BCBCA and the Articles require that the Huayra Disposition be approved by the Company's shareholders by special resolution at the Meeting. Accordingly, at the Meeting, shareholders will be asked to pass a special resolution, the full text of which is set forth in Schedule "A" to this Circular, authorizing the Huayra Disposition on the terms set out in the Huayra Purchase Agreement (the "**Reorganization Resolution**").

The Huayra Disposition and the Debt Settlement Transactions are, by their terms, cross-conditional. Unless the Huayra Disposition is completed the Debt Settlement Transactions will not proceed and vice versa. Accordingly, the Reorganization Resolution also authorizes the implementation of the Debt Settlement Transactions.

The Board has determined that the Sale of Huayra is in the best interests of the Company and its shareholders. The Board, therefore, recommends that shareholders vote “FOR” the Reorganization Resolution.

### **Dissent Rights**

The following description of the right to dissent to which Registered Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of such dissenting shareholder’s shares and is qualified in its entirety by the reference to an extract of Division 2 of Part 8 of the BCBCA, which is attached to this Circular as Schedule “C”. A dissenting shareholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of the BCBCA. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder.

Accordingly, each dissenting shareholder who might desire to exercise the dissent right should consult his or her own legal advisor.

Section 238 of the BCBCA provides a dissenting shareholder with the right to dissent from certain resolutions of a corporation which intends to effect extraordinary corporate transactions or fundamental corporate changes. The BCBCA provides Registered Shareholders with the right to dissent from the Reorganization Resolution pursuant to Section 238 of the BCBCA. Any Registered Shareholder who dissents from the Reorganization Resolution in compliance with the BCBCA will be entitled, in the event the transaction contemplated by the Huayra Purchase Agreement becomes effective, to be paid by the Company the fair value of the shares held by such dissenting shareholder determined at the effective time. Section 238 of the BCBCA also provides that a shareholder may only make a claim under that section with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in such shareholder’s name. One consequence of this provision is that a holder of shares may only exercise the right to dissent under Section 238 of the BCBCA in respect of the shares which are registered in that holder’s name. Accordingly, a non-registered holder will not be entitled to exercise the right to dissent under Section 238 of the BCBCA directly (unless the shares are reregistered in the non-registered holder’s name).

Non-Registered Shareholders who are beneficial owners of shares registered in the name of a broker, dealer, bank, trust company, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such shares. A Registered Shareholder, such as a broker, who holds shares as nominee for beneficial holders, some of whom wish to dissent, must exercise the dissent right on behalf of such beneficial owners with respect to all of the shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of shares covered by it. Registered Shareholders wishing to exercise their right to dissent before the Meeting must deliver a written notice of dissent to the Reorganization Resolution to the Company at 303-750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7, Attention: Zula Kropivnitski, Chief Financial Officer and Director, by no later than 4:00 PM (Pacific time) on June 27, 2016 or no later than 4:00 PM (Pacific time) on the date which is two days immediately preceding the date of any adjournment of the Meeting. No Shareholder who has voted in favour of the Reorganization Resolution shall be entitled to dissent with respect to the transaction.

The filing of a notice of dissent does not deprive a Registered Shareholder of the right to vote at the Meeting, however, the BCBCA provides, in effect, that a Registered Shareholder who has submitted a notice of dissent and who votes in favour of the Reorganization Resolution will be deprived of further rights under Division 2 of Part 8 of the BCBCA. The BCBCA does not provide, and the Company will not assume, that a vote against the Reorganization Resolution or an abstention constitutes a notice of dissent, but a Registered Shareholder need not vote its, his or her Shares against the Reorganization Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Reorganization Resolution does not constitute a notice of dissent.



Shareholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the Reorganization Resolution, should be validly revoked in order to prevent the proxy holder from voting such shares in favour of the Reorganization Resolution and thereby causing the Registered Shareholder to forfeit its, his or her right to dissent.

Following receipts of approval for the Reorganization Resolution at the Meeting, and following the closing of the transaction contemplated under the Huayra Purchase Agreement, the Company will send a notice of intention to each dissenting shareholder stating that the Company has acted, on the authority of the approved Reorganization Resolution, and advising the dissenting shareholder of the manner in which dissent is to be completed. A dissenting shareholder who intends to proceed with the dissent after receiving the notice of intention must then, within one month after the date of receiving the notice of intention, send to the Company or its transfer agent instructions that the dissenting shareholder requires the Company to purchase all of its shares, together with the certificates representing the shares held by the dissenting shareholder (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Non-Registered Shareholder). A dissenting shareholder who fails to send certificates representing the shares in respect of which it, he or she dissents forfeits its, his or her right to dissent. After sending a demand for payment, a dissenting shareholder ceases to have any rights as a holder of the shares in respect of which such Shareholder has dissented, other than the right to be paid the fair value of such shares as determined under Section 245 of the BCBCA.

### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Information concerning the Company may be obtained by any security holder of the Company free of charge by contacting the Company at 604-221-7994.

### **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia, the 16th day of May, 2016.

### **ON BEHALF OF THE BOARD**

"John Fognani"

John Fognani  
Director

## SCHEDULE "A"

### REORGANIZATION RESOLUTION

**"BE IT RESOLVED** as a special resolution, that:

1. the Company be and it is hereby authorized to sell all of the issued and outstanding shares of Huayra Minerals Corp., a wholly-owned subsidiary of the Company, to Fitzcarraldo Ventures Inc., and to enter into, execute and deliver the Huayra Purchase Agreement Agreement and perform the obligations thereunder;
2. the Company be and it is hereby authorized to enter into, execute and deliver each of the Debt Settlement Agreements and perform the obligations thereunder;
3. in connection with the Debt Settlement Agreements, the Company be and is hereby authorized to issue up to 7,362,910 Common shares ("Common Shares") in the capital of the company in consideration for the debt to be settled with each creditor and extinguished under the Debt Settlement Agreements, and when so issued the Common Shares shall be fully paid and non-assessable;
4. the Company is hereby authorized to take all such further actions, to execute and deliver all agreements, instruments and documents relating to, contemplated by, necessary and/or desirable in connection with each of the Huayra Purchase Agreement Agreement and the Debt Settlement Agreements (all such agreements, guarantees, instruments and documents are hereinafter collectively referred to as the "Documents") in the name and on behalf of the Company and under its corporate seal or otherwise and to pay all such fees and expenses contemplated by the Documents or which shall be incurred in connection herewith or which are otherwise necessary, proper or advisable in connection therewith;
5. notwithstanding that the foregoing resolution has been duly passed by the shareholders of the Company, the directors of the Company have the authority, without any further notice to, authorization of, or approval from, the shareholders of the Company to proceed or refrain from proceeding with the implementation of this special resolution in exercise of their business judgment; and

any one director or officer of the Company be and is hereby authorized and empowered, acting for, in the name of and on behalf of the Company, to execute and to deliver or cause to be delivered, all instruments and documents and to do, or cause to be done, all acts and things as, in the opinion of such one director or officer of the Company, may be necessary or desirable in order to fulfill the intent of the foregoing resolution."

## **SCHEDULE “B”**

### **MERYLLION RESOURCES CORPORATION**

**(the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company, and
  - (ii) the auditor’s report, if any, prepared in relation to those financial statements;
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and
  - (ii) the compensation of the external auditor;
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor;
- (j) review and approve the Company’s hiring policies regarding partners, employees and

former partners and employees of the present and former external auditor of the Company; and

- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

## SCHEDULE "C"

### DISSENT RIGHTS SECTIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

#### Division 2 – Dissent Proceedings

##### Definitions and application

**237** (1) In this Division:

**"dissenter"** means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

**"notice shares"** means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

**"payout value"** means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

##### Right to dissent

**238** (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

**239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **Notice of resolution**

**240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

### **Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and



(b) a statement advising of the right to send a notice of dissent.

### **Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner

and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

**243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

**244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this

Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

### **Payment for notice shares**

**245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

### **Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

### **Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**SCHEDULE "D"**

**HUAYRA PURCHASE AGREEMENT**

As attached.

## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** is made as of April \_\_\_, 2016,

BETWEEN:

**MERYLLION RESOURCES CORPORATION**, a company  
incorporated under the laws of British Columbia, Canada

(the "**Vendor**" or "**Meryllion**")

AND:

**FITZCARRALDO VENTURES INC.**, a company incorporated under  
the laws of the British Virgin Islands

(the "**Purchaser**")

WHEREAS:

- A. The Vendor is the owner, beneficially and of record, of all of the issued and outstanding shares (the "**HMC Shares**") in the capital of Huayra Minerals Corp. (the "**Subsidiary**" or "**HMC**").
- B. The Subsidiary, through Meryllion Argentina S.A. (the "**Argentinian Sub**"), maintains the rights to mineral properties and undertakes mineral exploration activities in South America.
- C. The Vendor does not believe that its current working capital is sufficient to maintain the mineral rights and said exploration activities, and the uncertainty of obtaining additional funding for these activities cast substantial doubt on the Vendor's ability to maintain the Subsidiary as a going concerns.
- D. The Purchaser wishes to purchase and the Vendor wishes to sell the HMC Shares, upon and subject to the conditions of this Agreement.

**NOW THEREFORE**, in consideration of the foregoing and the representations, warranties, covenants, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:



**PART 1**  
**DEFINITIONS AND INTERPRETATION**

**Definitions**

1.1. In this Agreement, unless the context otherwise requires, the following terms will have the meanings hereinafter set forth:

- (a) "**Applicable Laws**" means in relation to any Person, transaction or event, all applicable laws, statutes, rules, regulations, directives, published guidelines, standards, codes of practice, treaties, by-laws, ordinances, rules of applicable stock exchanges and applicable securities laws (including without limitation Applicable Securities Laws), including the rules, regulations, notices, instruments, blanket orders, judgments, orders, rulings, decrees, directives, writs and policies of, and the terms and conditions of any grant of approval, permission, authority or license of, any Governmental Authority, and by which such Person or its business, properties, assets, undertaking or securities is or are bound or subject;
- (b) "**Applicable Securities Laws**" means (a) the Act and the equivalent legislation in each province and territory of Canada; (b) the rules, regulations, instruments and policies adopted by the securities regulatory authority of any province or territory of Canada; and (c) the CSE Policies, each as amended from time to time;
- (c) "**Assets**" means (a) the Mineral Interests; (b) the Tangibles; and (c) the Miscellaneous Interests;
- (d) "**Business Day**" means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of British Columbia or the federal laws of Canada applicable in the Province of British Columbia, on which the principal commercial banks in the City of Vancouver, British Columbia are open for business;
- (e) "**Claim**" means any claim, demand, complaint, grievance, action, cause or right of action, damage, loss, costs, liability, obligation or expense, assessments or reassessments, including reasonable professional fees and all reasonable costs incurred in investigating or pursuing any of the foregoing, or any proceeding, arbitration, mediation or other dispute resolution procedure relating to any of the foregoing, or any orders, writs, injunctions or decrees of any Governmental Authority;
- (f) "**Closing**" has the meaning ascribed to such term in Section 7.1;
- (g) "**Closing Date**" means June 30, 2016;
- (h) "**Constating Documents**" means, with respect to any Person which is not an individual, the certificate and articles of incorporation, by-laws, articles of

organization, limited liability company agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar government documents of such Person, and includes any minute book records of such Person including the registers of security holders, as may be amended or adopted from time to time;

- (i) "**CSE**" means the Canadian Securities Exchange;
- (j) "**Debt Settlement Agreement**" means the debt settlement agreement dated as of the date hereof between Meryllion and the Debt Settlement Creditors;
- (k) "**Debt Settlement Creditors**" means the Persons listed in Schedule A;
- (l) "**Encumbrances**" means any encumbrance, lien, security interest, option, right of first refusal, easement, mortgage, charge, hypothec, indenture, deed of trust, statutory or deemed trust, right of way, restriction on the use of real property, encroachment, licence to third parties, lease to third parties, security agreement, or any other encumbrance and other restriction or limitation on use of real or personal property or irregularities in title thereto;
- (m) "**Environmental Laws**" means any Applicable Law or any agreement with any Governmental Authority or other Person, relating to human health and safety, the environment or to Hazardous Substances.
- (n) "**Environmental Permits**" means all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Authorities relating to or required by Environmental Laws and affecting, or relating in any way to, the business of the Company as currently conducted;
- (o) "**Hazardous Substances**" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material, or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, including petroleum, its derivatives, by-products and other hydrocarbons, and any substance, waste or material regulated under any Environmental Law.
- (p) "**Huayra Sale Resolution**" means the special resolution of the Meryllion Shareholders approving the Sale of Huayra, to be put forward at the Meryllion Meeting in accordance with Meryllion's Constatng Documents;
- (q) "**HMC Shares**" has the meaning ascribed to such term on the face page of this Agreement;
- (r) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity (i) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political

subdivision thereof or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

- (s) "**Liabilities**" means the debts, liabilities, obligations, Claims, Encumbrances, commitments, demands and expenses related to the Argentinian Sub or any of the Mineral Interests including all debts and liabilities owing, present or future, direct or indirect and howsoever incurred, at any time owing by the Argentinian Sub, or remaining unpaid by the Argentinian Sub and whether the same is from time to time reduced and thereafter increased, including all interest, commissions, fees, legal and other costs, charges and expenses.
- (t) "**Meryllion Meeting**" means the annual and special meeting of the Meryllion Shareholders to be held to consider and approve, among other items, the Huayra Sale Resolution;
- (u) "**Meryllion Shareholders**" means the registered holders of Meryllion Common Shares;
- (v) "**Meryllion Common Shares**" means, the common shares without par value in the capital of Meryllion;
- (w) "**Mineral Interests**" means, in respect of the mineral properties, all rights, interests, benefits and advantages derived from the Title and Operating Documents or from any other source whether contractual, statutory or otherwise which is granted, conferred or recognized under Applicable Law and which, among other things, allows or permits a person to explore for, mine, extract, sell or otherwise dispose of minerals;
- (x) "**Miscellaneous Interests**" means the entire right, title and interest of Subsidiary or the Argentinian Sub in and to all property, assets and rights (other than the Mineral Interests or the Tangibles) pertaining to the Mineral Interests or the Tangibles or any of Subsidiary's or Argentinian Sub's rights relating thereto including such interests in:
  - (i) all contracts, agreements, books, records and documents (including Title and Operating Documents), and permits, licences, and authorizations relating directly to the Mineral Interests, the Tangibles and any rights in relation thereto;
  - (ii) all subsisting rights to enter upon, use and occupy the surface of any lands in connection with operations on the Mineral Interests or any lands upon which the Tangibles are located or any lands used to gain access to any of the foregoing;
  - (iii) all subsisting rights to carry out any operations on the Mineral Interests, including all mineral licences, rights of way, crossing agreements and easements; and

- (iv) all geological, engineering, geophysical, seismic and other reports and data which relate to the Mineral Interests;
- (y) "**Notice**" has the meaning ascribed to such term in Section 8.1;
- (z) "**Person**" includes any individual, natural person, firm, corporation, body corporate (including a business trust), partnership (whether general or limited), joint stock company, trust, unincorporated organization, society, joint venture or any other entity recognized by law in any jurisdiction and includes any Governmental Authority;
- (aa) "**Sale of Huayra**" means the sale of the HMC Shares to the Purchaser, pursuant to the terms and conditions of this Agreement;
- (bb) "**Shareholder Approval**" has the meaning ascribed to such term in Section 3.1;
- (cc) "**Subsidiary**" means Huayra Minerals Corp., a wholly owned subsidiary of Meryllion;
- (dd) "**Tangibles**" means the interests of the Subsidiary or the Argentinian Sub in and to all tangible depreciable property and assets, which are used or intended for use in connection with the Mineral Interests; and
- (ee) "**Title and Operating Documents**" means, in respect of HMC and the Argentinian Sub, each and every material license, permit, approval, consent authorization, concession, permission or other title or operating document including, without limitation, all Environmental Permits, surface rights, access rights and other rights required under the Applicable Laws to conduct business and operations as currently conducted.

## Interpretation

1.2. For the purposes of this Agreement, except as otherwise expressly provided:

- (a) "this Agreement" means this agreement, including the recitals and schedules hereto, and not any particular part, section or other portion hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) all references in this Agreement to a designated "part", "section", "subsection" or other subdivision or to a schedule are references to the designated part, section, subsection or other subdivision of, or schedule to, this Agreement;
- (c) the words "hereof", "herein", "hereto" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular part, section, subsection or other subdivision or schedule unless the context or subject matter otherwise requires;

- (d) the division of this Agreement into parts, sections and other portions and the insertion of headings are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (e) unless otherwise provided herein, all references to currency in this Agreement are to lawful money of Canada;
- (f) a reference in this Agreement to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (g) the singular of any term includes the plural, and vice versa, and the use of any term is generally applicable to any gender and, where applicable, a body corporate, firm or other entity, and the word "or" is not exclusive and the word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;
- (h) in the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day; and
- (i) all references to "approval", "authorization" or "consent" in this Agreement mean written approval, authorization or consent.

### **Schedules**

1.3. Attached to and forming part of this Agreement are the following Schedules:

- Schedule A – Debt Settlement Creditors
- Schedule B – Terms of Indemnity
- Schedule C – HMC's Financial Statements

### **Knowledge**

1.4. Any reference to the knowledge of any Person means to the actual knowledge of such Person after making due inquiries and, in the case of the knowledge of the Vendor, means the actual knowledge of the Chief Financial Officer of the Vendor after making due inquiries.

## **PART 2 PURCHASE AND SALE**

### **Purchase and Sale of HMC Shares**

2.1. Subject to the provisions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, effective as of the Closing Date, the HMC Shares free and clear of all Encumbrances.

### **Purchase Price**

2.2. The aggregate purchase price payable by the Purchaser to the Vendor for the HMC Shares shall be the sum of \$10.00 (the "**Purchase Price**"). The Purchase Price shall be paid in full on the Closing Date by way of cash, certified cheque, bank draft or solicitor's trust cheque.

### **Assumption of Liabilities**

2.3. The Purchaser will solely and exclusively assume, pay, discharge, perform and be responsible for the Liabilities, accruing, arising out of, or relating to the Argentinian Sub and its business, whether actual or contingent, matured or unmatured, liquidated or unliquidated, or known or unknown.

### **Status of Underlying Assets**

2.4. The Purchaser hereby acknowledges and agrees that all of the Assets owned by the Subsidiary are on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Vendor, expressed or implied, arising at law, by statute or in equity or otherwise, with respect to such assets, and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, expressed or implied, arising at law, by statute or in equity or otherwise, as to description, fitness, suitability for any particular purpose, merchantability, operating condition, the value of the assets or the future cash flows from the assets, or compliance with any Applicable Laws. The Vendor specifically disclaims (and the Purchaser expressly agrees that the Vendor is not making or giving) any covenant, undertaking, representation or warranty, express or implied, in connection with this Agreement, the Assets of the Subsidiary, or any other matter relating hereto or thereto as to the following matters:

- (a) the condition, quality, suitability, value, merchantability or fitness for a particular purpose of any of the Assets; and
- (b) the condition of any of the Assets.

### **Indemnity**

2.5. The Purchaser hereby agrees to indemnify and save harmless the Vendor on the terms provided in Schedule B.1, and the Vendor hereby agrees to indemnify and save harmless the Purchaser on the terms provided in Schedule B.2

### **PART 3 APPROVALS**

#### **Shareholder Approval**

3.1. Subject to the terms and conditions of this Agreement, the Vendor will call and hold the Meryllion Meeting as soon as reasonably practicable following execution of this Agreement and distribute such documents as may be necessary or desirable to permit the Meryllion Shareholders to consider, and if deemed appropriate, approve the Huayra Sale Resolution at the Meryllion Meeting (the "**Shareholder Approval**").

3.2. The Parties hereby acknowledge and agree that this Agreement and the transaction contemplated hereunder are subject to Shareholder Approval. For greater certainty, in the event that the Vendor does not obtain Shareholder Approval, this Agreement shall terminate and both Parties shall be released from all obligations contemplated hereunder.

#### **Regulatory Approvals**

3.3. The Parties hereby acknowledge and agree that the Debt Settlement Agreement and the transaction contemplated thereunder are subject to approval by the CSE.

### **PART 4 REPRESENTATIONS AND WARRANTIES**

#### **Representations and Warranties of the Vendor**

4.1. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the HMC Shares:

- (a) This Agreement constitutes a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms.
- (b) The Subsidiary is a corporation duly incorporated, validly existing, organized and in good standing under the laws of the Province of British Columbia and has not been dissolved.
- (c) The authorized and issued share capital of the Subsidiary as of the date of this Agreement and as of the Closing Time is 7,061,262 Common shares. All of the HMC Shares have been duly and validly issued and are outstanding as fully paid and non-assessable.
- (d) The Vendor owns and has good and marketable title to the HMC Shares as the legal and beneficial owner thereof, free and clear of any encumbrances, and no person has an option or similar right of first refusal or any other right to acquire the HMC Shares.

- (e) The Vendor has the capacity, authority and power to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, subject to PART 3.
- (f) The Subsidiary's financial statements attached hereto as Schedule C have been prepared in accordance with GAAP throughout the periods since HMC's incorporation and fairly present the financial position, results of operations and changes in financial position of the Subsidiary for said indicated periods. Except to the extent reflected or provided for in the financial statements or the notes thereto, the Subsidiary has no other liabilities required by GAAP to be reflected on its balance sheet or notes thereto. Since the closing of the last annual period reflected in the financial statements, the Company has conducted its business in the ordinary course of business consistent with past practice and there has been no material adverse change with respect to the financial statements nor any hidden loss.
- (g) The Subsidiary has filed, or has caused to be filed on its behalf, all material tax returns required to be filed by it and has complied, in all material respects, with all reporting and record keeping requirements relating thereto. All such tax returns, reporting and record keeping requirements were true and complete in all material respects at the time of their filing and, to the knowledge of the Vendor, the Subsidiary does not have any tax liability of any nature whatsoever that has not been reflected or reserved against in the financial statements, in the notes thereto, or in this Agreement including its Schedules.
- (h) To the knowledge of the Vendor, there is no tax, fee, liability, damage or any other pending debt or payment ought and/or claim, request, action or any other proceeding in course or obligation due by the Subsidiary to its shareholders, any governmental authority or agency, suppliers and/or any other third party.

#### **No Representation and Warranty by Vendor.**

4.2. The Vendor makes no representation regarding the business, assets, liabilities or financial condition of the Argentinian Sub.

#### **Representations and Warranties of the Purchaser**

4.3. The Purchaser represents and warrants to the Vendor as follows and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with its sale of the HMC Shares:

- (a) The Purchaser has the capacity, authority and power to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.
- (b) This Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms.



- (c) The Purchaser has no knowledge of any fact or circumstance which would constitute a breach by the Vendor of the Vendor's representations and warranties.

## **PART 5 COVENANTS**

### **Representations and Warranties**

5.1. Each of the Parties shall ensure that the representations and warranties set out in this Agreement are true and correct at the Closing Date as if such representations and warranties were made at and as of the Closing Date and that the conditions of Closing for the benefit of the other Party set out in this Agreement have been fulfilled, performed or satisfied prior to the Closing Date.

### **Agreement**

5.2. Subject to Applicable Laws, each of the Parties agree that it not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the transaction contemplated herein.

## **PART 6 CONDITIONS**

### **Mutual Conditions Precedent**

6.1. The respective obligations of the parties to complete the transactions contemplated by this Agreement shall be subject to there not being in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement.

### **Vendor's Conditions Precedent**

6.2. The obligations of the Vendor to complete the purchase and sale of the HMC Shares are subject to the satisfaction, on or before the Closing, of the following conditions, any of which may be waived by the Vendor without prejudice to its right to rely on any other or others of them:

- (a) the representations and warranties of the Purchaser contained in Section 4.3 will be true in all material respects immediately prior to the Closing Date with the same effect as though made at and as of such time;
- (b) the Vendor will have obtained Shareholder Approval for the Sale of Huayra to the Purchaser;
- (c) the Vendor and the Debt Settlement Creditors will have completed the transactions contemplated by the Debt Settlement Agreement in escrow, subject only to the Closing of the purchase and sale of the HMC Shares hereunder; and

- (d) the Purchaser will have delivered all of the documents and instruments required to be delivered by it pursuant to of this Section 7.2 Agreement.

### **Purchaser's Conditions Precedent**

6.3. The obligations of the Purchaser to complete the purchase and sale of the HMC Shares are subject to the satisfaction, on or before the Closing, of the following conditions, any of which may be waived by Purchaser without prejudice to its right to rely on any other or others of them:

- (a) the representations and warranties of the Vendor contained in Section 4.1 will be true in all material respects immediately prior to the Closing Date with the same effect as though made at and as of such time;
- (b) the Vendor and the Debt Settlement Creditors will have completed the transactions contemplated by the Debt Settlement Agreement in escrow, subject only to the Closing of the purchase and sale of the HMC Shares hereunder; and
- (c) the Vendor will have delivered all of the documents and instruments required to be delivered by it pursuant to Section 7.3 of this Agreement.

### **Merger of Conditions**

6.4. The conditions precedent set out in this PART 6 will be conclusively deemed to have been satisfied, waived or released upon Closing.

## **PART 7 CLOSING**

### **Time and Place**

7.1. Subject to the terms and conditions hereof, the transactions contemplated in this Agreement will be completed and closed at the Closing, , or at such other time and place as the parties may agree (the "**Closing**").

### **Closing Deliveries by the Vendor**

7.2. At Closing, the Vendor will deliver the following to the Purchaser:

- (a) A Share certificate evidencing the HMC Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers.
- (b) Certificate of Good Standing for HMC.
- (c) Corporate books and documents, including but not limited to tax returns, bank statements, resolutions, annual reports, and board meeting minutes.
- (d) A certified true copy of the Huayra Sale Resolution authorizing the execution, delivery and performance of this Agreement and the transactions contemplated herein.

- (e) A receipt for payment of the Purchase Price.

**Closing Deliveries by the Purchaser**

7.3. At Closing, the Purchaser will deliver the following to the Vendor:

- (a) Cash or a certified cheque, bank draft, or solicitor's trust cheque payable to the Vendor as payment of the Purchase Price as set forth in Section 2.2; and
- (b) A receipt for the share certificate representing the HMC Shares.

**Closing Procedures**

7.4. All documents and instruments described in Sections 7.2 and 7.3 are to be tabled and held in escrow and all transactions at the Closing will be deemed to take place simultaneously, and no transaction will be deemed to have been completed and no instrument or document will be deemed to have been delivered until all instruments and documents are delivered. Delivery by or to the solicitor for a party will constitute delivery by or to that party. Except as otherwise agreed, each document may be executed in counterparts and all such counterparts together will constitute a single fully executed document and any facsimile signature on any such counterpart will, in the absence of evidence to the contrary, constitute an original signature.

**PART 8  
GENERAL**

**Notices**

8.1. All notices, requests, demands or other communications required or permitted to be given by one party to another under this Agreement (each, a "**Notice**") shall be given in writing and delivered by personal delivery, sent by facsimile transmission or delivered by electronic mail addressed as follows:

Vendor: MERYLLION RESOURCES CORPORATION

Attention: Chief Financial Officer

Fax: +1.604.681.0094

Address: Suite 303, 750 West Pender, Vancouver, B.C. V6C 2T7

Purchaser: FITZCARRALDO VENTURES INC.

Attention: 

Fax: + [REDACTED]

E-mail: [REDACTED]

[REDACTED]

or at such other address or facsimile number or e-mail address at which a party may, by Notice, from time to time notify the other parties. Any Notice delivered by personal delivery to the party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the Notice is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the facsimile transmission is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the first Business Day after its transmission. Notices sent to an e-mail address shall be deemed to be received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such Notice is not sent on a Business Day or is sent after 4:00 p.m. (addressee's local time) on a Business Day, such Notice shall be deemed to have been given and received on the first Business Day after its transmission.

### **Time**

8.2. Time shall be of the essence as regards the provisions of this Agreement, both as regards the times and periods mentioned herein and as regards any times or periods which may, by agreement between the parties, be substituted for them.

### **Severance**

8.3. If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

### **Survival of Representations and Warranties**

8.4. The representations and warranties of the parties set out in Part 4 of this Agreement shall survive the Closing, and shall not merge with any deed, conveyance or other transfer instrument or other agreement giving effect hereto and shall survive any amalgamation or reorganization or merger entered into by either of the parties to this Agreement, for a period of two years following the Closing Date.

**Survival of Rights, Duties and Obligations**

8.5. Termination of this Agreement for any cause shall not release a party from any liability which, at the time of termination, has already accrued to another party or which thereafter may accrue in respect of any act or omission prior to such termination.

**Costs**

8.6. Each party shall bear its own (and its representatives') fees and expenses incurred by it in connection with this Agreement, including any fee for advice or opinions and any finder's fee or broker's commission incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and any other agreements or documents contemplated thereby.

**Entire Agreement**

8.7. This Agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement including, without limitation, the Preliminary Agreement, and contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract. Each of the parties acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated herein. So far as permitted by law and except in the case of fraud, each party agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

**Amendment**

8.8. Save as otherwise expressly provided herein, no modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing specifically referring to this Agreement and duly signed by the parties hereto.

**Assignment**

8.9. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

**Further Assurances**

8.10. Each of the parties, upon the request of any other party, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Agreement.

**Counterparts**

8.11. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

**Independent Legal Advice**

8.12. Each of the Parties hereto, by their execution of this Agreement, acknowledges that such Party has carefully read and fully understands the terms of this Agreement and has had the opportunity to obtain independent legal advice with respect to this Agreement.

**Governing Law and Dispute Resolution**

8.13. This Agreement shall be governed by and interpreted in accordance with the laws of British Columbia. All disputes arising out of or in connection with this Agreement shall be resolved by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce, it being moreover agreed that:

- (a) the number of arbitrators will be three (3);
- (b) the place of arbitration shall be Paris;
- (c) the language of the arbitration shall be English; and
- (d) the arbitral award shall be final and binding on the parties to the dispute, and judgment on the award may be entered by any court having competent jurisdiction.

*[Signature to page to follow]*

**IN WITNESS WHEREOF** the parties have duly executed this Agreement as of the day and year first above written.

**MERYLLION RESOURCES  
CORPORATION**

Per: \_\_\_\_\_  
Name:  
Title:

**FITZCARRALDO VENTURES INC.**

Per: \_\_\_\_\_  
Name:   
Title: Director

**SCHEDULE A****Debt Settlement Creditors**

Name	Debt (CAD\$)	Number of shares to be issued at CAD\$0.03
██	\$ 4,672.00	155,733
<b>DAVID BIRKENSHAW</b>	\$ 43,353.35	1,445,112
██	\$ 23,902.00	796,733
██	\$ 31,512.00	1,050,400
<b>JOHN FOGNANI</b>	\$ 25,000.00	833,333
██	\$ 24,577.00	819,233
<b>PREAKNESS MANAGEMENT LTD</b>	\$ 21,000.00	700,000
██	\$ 36,923.00	1,230,766
██	\$ 9,948.00	331,600
<b>TOTAL</b>	\$ 220,887.35	7,362,910



## SCHEDULE B

### Terms of Indemnity

Terms denoted with initial capital letters and not otherwise defined herein have the meanings assigned to them in the Share Purchase Agreement between the Vendor and the Purchaser to which this Schedule B is attached.

#### **B 1 Indemnification of the Vendor by the Purchaser**

The Purchaser will indemnify and hold harmless the Vendor, each of its subsidiaries and each of their respective directors, officers, employees, partners, agents, each other person, if any, controlling the Vendor or any of its subsidiaries and each shareholder of the Vendor (collectively, the "**Vendor's Indemnified Parties**" and individually, a "**Vendor's Indemnified Party**"), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Vendor's Indemnified Party or in enforcing this indemnity (collectively the "**B 1 Claims**") to which any Vendor's Indemnified Party may become subject or otherwise involved in any capacity insofar as the B 1 Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the purchase and sale of the HMC Shares or the assumption by the Purchaser of all Liabilities of the Argentinean Sub. The Purchaser also agrees that no Vendor's Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Purchaser or any person asserting claims on behalf of or in right of the Purchaser for or in connection with the purchase and sale of the HMC Shares or the assumption by the Purchaser of all Liabilities of the Argentinean Sub except to the extent any losses, expenses, claims, actions, damages or liabilities incurred by the Purchaser are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the gross negligence or wilful misconduct of such Vendor's Indemnified Party. The Purchaser will not, without the Vendor's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not any Vendor's Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Vendor's Indemnified Party from any liabilities arising out of such action, suit proceeding, investigation or claim.

Promptly after receiving notice of an action, suit, proceeding or claim against the Vendor or any other Vendor's Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which Indemnification may be sought from the Purchaser, the Vendor or any such other Vendor's Indemnified Party will notify the Purchaser in writing of the particulars thereof, provided that the omission so to notify the Purchaser shall not relieve the Purchaser of any liability which the Purchaser may have to the Vendor or any other Vendor's Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such action, suit,

proceeding, claim or investigation or results in any material increase in the liability which the Purchaser has under this indemnity.

The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such losses, expenses, claims, actions, damages or liabilities to which the Vendor's Indemnified Party may be subject were primarily caused by the gross negligence or wilful misconduct of the Indemnified Party.

If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Vendor or any other Vendor's Indemnified Party or insufficient to hold the Vendor or any other Vendor's Indemnified Party harmless, the Purchaser shall contribute to the amount paid or payable by the Vendor or the other Vendor's Indemnified Party as a result of such B 1 Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Purchaser on the one hand and the Vendor or any other Vendor's Indemnified Party on the other hand, but also the relative fault of the Purchaser, the Vendor or any other Vendor's Indemnified Party as well as any relevant equitable considerations.

The Vendor may retain counsel to separately represent it in the defense of a B 1 Claim, which shall be at the Purchaser's expense if (i) the Purchaser does not promptly assume the defense of the B 1 Claim; (ii) the Purchaser agrees to separate representation, or (iii) the Vendor is advised by counsel that there is an actual or potential conflict in the Purchaser's and the Vendor's respective interests or additional defenses are available to the Vendor, which makes representation by the same counsel inappropriate.

The obligations of the Purchaser hereunder are in addition to any liabilities which the Purchaser may otherwise have to the Vendor or any other Vendor's Indemnified Party.

The Purchaser hereby constitutes the Vendor as trustee for each of the other Vendor's Indemnified Parties of the Purchaser's covenants contained in this Schedule B 1 with respect to such persons and the Vendor agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

## **B 2 Indemnification of the Purchaser by the Vendor**

The Vendor will indemnify and hold harmless the Purchaser, each of its subsidiaries and each of their respective directors, officers, employees, partners, agents, each other person, if any, controlling the Purchaser or any of its subsidiaries and each shareholder of the Purchaser (collectively, the "**Purchaser's Indemnified Parties**" and individually, a "**Purchaser's Indemnified Party**"), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Purchaser's Indemnified Party or in enforcing this indemnity (collectively the "**B 2 Claims**") to which any Purchaser's Indemnified Party may become subject or otherwise involved in any capacity insofar as the B 2 Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, HMC obligations and duties or the assumption by the Purchaser of all the liabilities of HMC. The

Vendor also agrees that no Purchaser's Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Purchaser or any person asserting claims on behalf of or in right of the Purchaser for or in connection with the purchase and sale of the HMC Shares or the assumption by the Purchaser of all the liabilities of the Subsidiary except to the extent any losses, expenses, claims, actions, damages or liabilities incurred by the Purchaser are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the gross negligence or wilful misconduct of such Purchaser's Indemnified Party. The Vendor will not, without the Purchaser's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not any Purchaser's Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Purchaser's Indemnified Party from any liabilities arising out of such action, suit proceeding, investigation or claim.

Promptly after receiving notice of an action, suit, proceeding or claim against the Purchaser or any other Purchaser's Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which Indemnification may be sought from the Vendor, the Purchaser or any such other Purchaser's Indemnified Party will notify the Vendor in writing of the particulars thereof, provided that the omission so to notify the Vendor shall not relieve the Vendor of any liability which the Vendor may have to the Purchaser or any other Purchaser's Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Vendor has under this indemnity.

The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such losses, expenses, claims, actions, damages or liabilities to which the Purchaser's Indemnified Party may be subject were primarily caused by the gross negligence or wilful misconduct of the Purchaser's Indemnified Party.

If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Purchaser or any other Purchaser's Indemnified Party or insufficient to hold the Purchaser or any other Purchaser's Indemnified Party harmless, the Vendor shall contribute to the amount paid or payable by the Purchaser or the other Purchaser's Indemnified Party as a result of such B 2 Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Vendor on the one hand and the Purchaser or any other Purchaser's Indemnified Party on the other hand, but also the relative fault of the Vendor, the Purchaser or any other Purchaser's Indemnified Party as well as any relevant equitable considerations.

The Purchaser may retain counsel to separately represent it in the defense of a B 2 Claim, which shall be at the Vendor's expense if (i) the Vendor does not promptly assume the defense of the B 2 Claim; (ii) the Vendor agrees to separate representation, or (iii) the Purchaser is advised by counsel that there is an actual or potential conflict in the Vendor's and the Purchaser's respective interests or additional defenses are available to the Purchaser, which makes representation by the same counsel inappropriate.

The obligations of the Vendor hereunder are in addition to any liabilities which the Vendor may otherwise have to the Purchaser or any other Purchaser's Indemnified Party.

The Vendor hereby constitutes the Purchaser as trustee for each of the other Purchaser's Indemnified Parties of the Vendor's covenants contained in this Schedule B 2 with respect to such persons and the Purchaser agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

**SCHEDULE C**

**HMC's Financial Statements**

As attached.

Financial Statements of  
**Huayra Minerals Corporation**  
For the six months ended March 31, 2016  
(unaudited)

## Table of Contents

Balance Sheet	3
Statement of Operations	4
Statement of Changes in Members' Deficit	5

**Huayra Minerals Corporation****Balance Sheet**

(in United States Dollars)

<b>As of March 31</b>	<b>2016</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash	\$ 621
<b>Total assets</b>	<b>621</b>
<b>Members' deficit</b>	
Capital contributions	\$ 533,327
Accumulated deficit	(532,706)
<b>Total members deficit</b>	<b>621</b>
<b>Total liabilities and members' deficit</b>	<b>\$ 621</b>



**Huayra Minerals Corporation****Statement of operations**

(in United States Dollars)

<b>For the six months ended March 31</b>		<b>2016</b>
Bank charges	\$	91
Foreign exchange		5
<b>Net loss</b>		<b>96</b>

**Huayra Minerals Corporation****Statement of changes in membership deficit**

(in United States Dollars)

<b>For the six months ended March 31</b>		<b>2016</b>
Balance, September 30, 2015	\$	532,610
Net loss		96
<b>Balance, March 31, 2016</b>	\$	<b>532,706</b>

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