

NICOLA MINING INC.

3329 Aberdeen Road
Lower Nicola, BC V0K 1Y0

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 20, 2018

AND

INFORMATION CIRCULAR

May 18, 2018

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.

NICOLA MINING INC.
3329 Aberdeen Road
Lower Nicola, BC V0K 1Y0
Telephone: (604) 647-0142

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Nicola Mining Inc. (the “**Company**”) will be held at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, BC, on Wednesday, June 20, 2018, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2017, and the accompanying report of the auditors;
2. to set the number of directors of the Company at four (4);
3. to elect Peter Espig, Doug F. Robinson, Frank Högel and Paul Johnston as directors of the Company;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company for the fiscal year ending December 31, 2018 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2018;
5. to consider and, if thought fit, to pass an ordinary resolution to ratify the Company’s 2015 Stock Option Plan, as described in the accompanying information circular (the “**Information Circular**”); and
6. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s board of directors has fixed May 11, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing, that

holds your securities on your behalf (an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Lower Nicola, British Columbia, this 18th day of May, 2018.

By Order of the Board of Directors of

NICOLA MINING INC.

“Peter Espig”

Peter Espig
President, Chief Executive Officer
and Director

NICOLA MINING INC.
3329 Aberdeen Road
Lower Nicola, BC V0K 1Y0
Telephone: (604) 647-0142

INFORMATION CIRCULAR
May 18, 2018

INTRODUCTION

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Nicola Mining Inc. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) in the capital of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Vancouver time) on Wednesday, June 20, 2018 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is May 18, 2018. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representation must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. Shareholders are entitled to one vote for each Share held on the record date of May 11, 2018 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders in the enclosed form of proxy (the “**Designated Persons**”) are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact, authorized in writing, or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of all of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the**

Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the “**Board**”) to be the close of business on May 11, 2018 (the “**Record Date**”), a total of 195,585,931 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares ⁽¹⁾⁽²⁾
Concept Capital Management	67,485,487 ⁽³⁾	29.6%

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 11, 2018, based upon information furnished to the Company by the individual directors. Options, warrants or other convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are counted as outstanding for computing the percentage of the person holding such options, warrants or other convertible securities, but are not counted as outstanding for computing the percentage of any other person.
- (2) Based on 228,026,840 Shares, comprised of: (a) 195,585,931 Shares issued and outstanding on May 11, 2018 and (b) 32,440,909 Shares that may be issued on exercise of warrants and conversion of convertible debentures
- (3) Comprised of: (a) 35,044,578 Shares, (b) 5,850,000 warrants, each of which is exercisable into one Share, at a price of \$0.275 per Share until November 21, 2018; and (c) 26,590,909 Shares that may be issuable on conversion of a convertible debenture in the principal amount of \$5,850,000, at a deemed conversion price of \$0.22 per Share, until November 21, 2019, all of which may be exercised or converted within the next 60 days.

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Management recommends the approval of setting the number of directors of the Company at four (4).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name Province Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Shares Owned ⁽¹⁾
Peter Espig ⁽²⁾ British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	Mr. Espig has been the President and Chief Executive Officer of the Company since November 7, 2013 and was the Interim President and Interim Chief Executive Officer of the Company from July 9, 2013 to November 7, 2013. In August 2006, Mr. Espig founded TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized companies, and pre-initial public offering investment and consulting. Mr. Espig has been a founding director of Phosplatin Therapeutics, a private biopharmaceutical company, since November 2010. He was formerly the Chief Financial Officer of Long Harbour Exploration Ltd., a mineral exploration company listed on the TSX Venture Exchange (the "TSXV"), from March 2013 to December 18, 2014, and is Chairman of the Vancouver Center of Arts and Technology.	May 2, 2011 to present	11,470,371 ⁽³⁾
Frank Högel ⁽²⁾ Baden-Württemberg Germany <i>Director</i>	Mr. Högel is an asset manager actively involved in the financial evaluation of companies and convertible debenture structuring. He has also served as President and Chief Executive Officer of Peter Beck Performance Funds and Peter Beck and Partner Asset Management Company Limited since 2002. He also is involved on other TSXV listed companies currently.	November 21, 2014 to present	4,133,356 ⁽⁴⁾
Doug F. Robinson ⁽²⁾ British Columbia, Canada <i>Director</i>	Mr. Robinson has been a member of the British Columbia Bar since 1973. He was a partner at Lawson Lundell LLP for over 25 years. Since May 2001, he has been the principal of Robinson & Co., a law firm. He currently serves on the boards of directors of several privately held companies.	November 18, 2014 to present	500,000 ⁽⁵⁾
Paul Johnston British Columbia, Canada <i>Director</i>	Dr. Johnston is a geologist with more than 25 years of experience in the mining industry. Dr. Johnston began his career in the late 1980s as a mine geologist at a large Canadian gold mine and since 1996 has worked in a variety of international positions at Teck Resources, including Regional Chief Geoscientist for South America. He holds a PhD from Queen's University and is a member of the Association of Professional Engineers and Geoscientists of British Columbia. He has accumulated extensive international experience in early to advanced stage exploration for gold, copper, and zinc.	May 13, 2016 to present	400,000 ⁽⁶⁾

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 11, 2018, based upon information furnished to the Company by the individual directors. Options, warrants, debentures or other convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are counted as outstanding for computing the percentage of the person holding such options, warrants or other convertible securities, but are not counted as outstanding for computing the percentage of any other person.

(2) Member of the audit committee.

- (3) Comprised of: (a) 7,766,962 Shares; (b) 2,250,000 options, each of which is exercisable into one Share, of which 500,000 are exercisable at a price of \$0.14 per Share until July 26, 2021, 750,000 are exercisable at a price of \$0.175 per Share until July 10, 2021 and 1,000,000 are exercisable at a price of \$0.165 per Share until December 27, 2022; (c) 1,112,500 warrants, each of which is exercisable into one Share, of which 20,000 are exercisable at a price of \$0.275 per Share until May 20, 2019, 850,000 are exercisable at a price of \$0.18 per Share until August 24, 2019, 187,500 are exercisable at a price of \$0.35 per Share until December 14, 2019 and 55,000 are exercisable at a price of \$0.275 per Share until November 21, 2018; (d) 250,000 Shares that may be issuable on conversion of a convertible debenture in the principal amount of \$55,000, at a deemed conversion price of \$0.22 per Share, until November 21, 2019; and (e) 90,909 Shares that may be issuable on conversion of a convertible debenture in the principal amount of \$20,000, at a deemed conversion price of \$0.22 per Share, until May 20, 2020, all of which may be exercised or converted within the next 60 days.
- (4) Comprised of: (a) 980,886 Shares held by Peter Beck Performance Fonds GBR ("**Peter Beck Performance**"), a company of which Frank Högel is the president and chief executive officer, (b) 184,289 Shares held directly, (c) 750,000 options held directly, each of which is exercisable into one Share, of which 350,000 are exercisable at a price of \$0.11 per Share until June 5, 2020 and 400,000 are exercisable at a price of \$0.17 per Share until December 13, 2021; (d) 400,000 warrants held by Peter Beck Performance, each of which is exercisable into one Share, exercisable at a price of \$0.275 per Share until November 21, 2018; and (e) 1,818,181 Shares that may be issuable on conversion of a convertible debenture in the principal amount of \$400,000 held by Peter Beck Performance, at a deemed conversion price of \$0.22 per Share, until November 21, 2019, all exercisable within 60 days.
- (5) Comprised of: (a) 150,000 Shares; (b) 350,000 options, each of which is exercisable into one Share exercisable at a price of \$0.11 per Share until June 5, 2020, all of which may be exercised or converted within the next 60 days.
- (6) Comprised of 400,000 options, each of which is exercisable into one Share, of which 250,000 are exercisable at a price of \$0.11 per Share until June 5, 2020 and 150,000 are exercisable at a price of \$0.175 per Share until July 10, 2021, all of which may be exercised or converted within the next 60 days.

Management recommends the election of each of the nominees listed above as a director of the Company.

Orders

Except as disclosed below, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

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

Mr. Högel was a director of Oremex Silver Inc. ("**Oremex**") (now called Monarca Minerals Inc.) when cease trade orders were issued by the British Columbia Securities Commission on April 1, 2014 and June 3, 2014, and the Alberta Securities Commission on September 2, 2014, as a result of the failure of Oremex to file financial statements for the year ended November 30, 2013, interim financial statements for the period ended February 28, 2014 and a Form 51-102F1 *Management's Discussion and Analysis* for the periods ended November 30, 2013 and February 28, 2014. The cease trade orders were lifted on February 9, 2016. Mr. Högel is still a director of Oremex.

Bankruptcies

Except as disclosed below, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

On July 26, 2013, the Company, after careful consideration of all available alternatives, sought creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained a stay order (the "**Initial Order**") from the Supreme Court of British Columbia (the "**Court**") (the "**CCAA Proceedings**"). The Company sought the protection because it was hampered by the equity markets, debt repayments, commodity prices and operational challenges. The CCAA Proceedings applied to the Company and its wholly-owned subsidiaries, Huldra Properties Inc., Huldra Holdings Inc. and 0913103 B.C. Ltd. (collectively, the "**Applicants**"). Grant Thornton LLP (the "**Monitor**") had been appointed by the Court as monitor in the proceedings and was responsible for reviewing the Company's ongoing operations, liaising with creditors and other stakeholders and reporting to the Court.

The Initial Order provided for a stay of proceedings against the Applicants and their property for an initial period ending August 26, 2013, which the Court extended to November 24, 2014.

The Company implemented the restructuring of its debts and obligations under the Company's Plan of Compromise and Arrangement dated August 8, 2014 (the "**Plan**"). The Plan was prepared by the Company in connection with the CCAA Proceedings under the CCAA and was approved by the creditors of the Company on September 23, 2014 and sanctioned by the Court on October 10, 2014. The Monitor filed the certificate of Plan implementation with the Court on November 21, 2014. On December 9, 2015, the Company successfully fulfilled its obligations pursuant to the CCAA Proceedings.

No proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

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

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units

granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“NEO” or “named executive officer” means:

- (a) each individual who served as chief executive officer (“CEO”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“CFO”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

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

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Peter Espig ⁽²⁾ President, CEO and Director	2017 2016	214,075 ⁽³⁾⁽⁴⁾ 180,000 ⁽⁴⁾	20,000 ⁽⁵⁾ 10,000 ⁽⁶⁾	Nil Nil	Nil Nil	Nil Nil	234,075 190,000

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Warwick Bay ⁽⁷⁾ CFO and Secretary	2017 2016	120,000 87,000 ⁽⁸⁾	10,000 ⁽⁹⁾ 15,000 ⁽¹⁰⁾	Nil Nil	Nil Nil	Nil Nil	130,000 102,000
Doug F. Robinson ⁽¹¹⁾ Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Frank Högel ⁽¹²⁾ Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Paul Johnston ⁽¹³⁾ Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) Mr. was appointed a director of the Company on May 2, 2011 and the CEO and President of the Company on November 7, 2013.
- (3) Mr. Espig received \$15,000 per month for the provision of services as CEO of the Company and a one-time consulting fee of \$34,075.
- (4) These consulting fees were paid to Mr. Espig for his services as the CEO and President of the Company. Mr. Espig did not receive additional compensation for serving as a director of the Company.
- (5) Mr. Espig received a bonus for assisting with obtaining milling partnership with Gavin Mines, notice of work for 2017 diamond drill program, and the December 2017 flow-through financing.
- (6) Mr. Espig received a bonus for assisting with obtaining a custom milling permit in April 2016, notice of work for the 2016 diamond drill program and 100% of the Thule Copper settlement.
- (7) Mr. Bay was appointed the CFO of the Company on January 20, 2015 and the Secretary of the Company on January 31, 2015.
- (8) Mr. Bay received \$4,000 per month for the provision of services as CFO of the Company, pursuant to an unwritten arrangement from January 2016 to February 2016, \$5,000 per month from March 2016 to May 2016, \$8,000 per month from June 2016 to August 2016 and \$10,000 per month from September 2016 until December 31, 2016.
- (9) Mr. Bay received a bonus for assisting with obtaining milling partnership with Gavin Mines, notice of work for 2017 diamond drill program, and the December 2017 flow-through financing.
- (10) Mr. Bay received a bonus for assisting with obtaining a custom milling permit in April 2016, notice of work for the 2016 diamond drill program and 100% of the Thule Copper settlement.
- (11) Doug Robinson was appointed a director of the Company on November 18, 2014.
- (12) Frank Högel was appointed a director of the Company on November 21, 2014.
- (13) Paul Johnston was appointed a director of the Company on May 13, 2016.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2017 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Peter Espig President, CEO and Director	Stock Options	750,000/750,000 / 9.3%	July 10, 2017	\$0.175	\$0.19	\$0.18	July 10, 2021
	Stock Options	1,000,000/1,000,000 / 12.4%	December 27, 2017	\$0.165	\$0.185	\$0.18	December 27, 2022
Warwick Bay CFO and Secretary	Stock Options	150,000/150,000 / 1.9%	December 27, 2017	\$0.165	\$0.185	\$0.18	December 27, 2022
Frank Högel Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Doug F. Robinson Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Johnston Director	Stock Options	150,000/150,000 / 1.9%	July 10, 2017	\$0.175	\$0.19	\$0.18	July 10, 2021

As at December 31, 2017:

- (a) Peter Espig, the President, CEO and a director of the Company, owned an aggregate of 2,250,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share. Of these, 500,000 options are exercisable into one Share at a price of \$0.14 per Share until July 26, 2021, 750,000 are exercisable at a price of \$0.175 per Share until July 10, 2021 and 1,000,000 are exercisable at a price of \$0.165 per Share until December 27, 2022;
- (b) Warwick Bay, the CFO and Secretary of the Company owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share. Of these, 150,000 are exercisable at a price of \$0.06 per Share until June 9, 2019, 400,000 are exercisable at a price of \$0.11 per Share until June 5, 2020 and 150,000 are exercisable at a price of \$0.165 per Share until December 27, 2022;
- (c) Frank Högel, a director of the Company owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share. Of these, 350,000

are exercisable at a price of \$0.11 per Share until June 5, 2020 and 400,000 are exercisable at a price of \$0.17 per Share until December 13, 2021;

- (d) Doug Robinson, a director of the Company, owned an aggregate of 350,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.11 per Share until June 5, 2020; and
- (e) Paul Johnston, a director of the Company, owned an aggregate of 400,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share. Of these, 250,000 are exercisable at a price of \$0.11 per Share until June 5, 2020 and 150,000 are exercisable at a price of \$0.175 per Share until July 10, 2021.

All of the options set out above vested immediately on the date of grant.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all compensation securities exercised by directors and NEOs in the year ended December 31, 2017:

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price Per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on the Date of Exercise (\$)	Total Value on Exercise Date (\$)
Peter Espig President, CEO and Director	Stock Options	500,000	\$0.14	December 18, 2017	0.165	0.025	12,500

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "**2015 Plan**"), which was most recently approved by the Shareholders at the Company's last annual general and special meeting on December 15, 2015, is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The 2015 Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares. As at the date hereof, there are 8,089,000 options outstanding under the 2015 Plan.

See "Particulars of Matters to be Acted Upon – Ratification of 2015 Stock Option Plan", below, for more information.

Employment, Consulting and Management Agreements

Other than as set forth below, the Company is not party to any formal, written employment, consulting or management agreements with any NEO or director.

The Company pays Peter Espig \$15,000 per month for the provision of services as President and CEO of the Company, pursuant to an unwritten arrangement.

The Company paid Warwick Bay \$4,000 per month for the provision of services as CFO of the Company, pursuant to an unwritten arrangement from January 2016 to February 2016, \$5,000 per month from March 2016 to May 2016, \$8,000 per month from June 2016 to August 2016 and has been paying \$10,000 per month since September 2016.

Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussions relating to compensation, but disclose their interest in, and abstain from voting on, decisions related to their own respective compensation.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has a short term compensation component in place, which includes the payment of management fees to certain NEOs, and a long-term compensation component in place, which includes the grant of stock options under the 2015 Plan. The Company intends to further develop these compensation components. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the performance of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the shareholders of the Company. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

Pension Plan Benefits

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the 2015 Plan, being the Company's only equity compensation plan, as of December 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	8,089,000	\$0.20	10,943,775
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	8,089,000	\$0.20	10,943,775

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans

See "Particulars of Matters to be Acted Upon – Ratification of 2015 Stock Option Plan", below, for more information.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending December 31, 2018, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2018. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Management recommends that Shareholders vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants as the Company's auditors for the Company's fiscal year ending December 31, 2018 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2018.

AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 *Audit Committees* ("NI 52-110"), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the "Audit Committee"):

Audit Committee Charter

The full text of the audit committee charter (the "Audit Committee Charter") is as follows:

Purpose

The purpose of the Audit Committee (the “**Committee**”) is to act as the representative of the Board in carrying out its oversight responsibilities relating to:

- The audit process;
- The financial accounting and reporting process to shareholders and regulatory bodies; and
- The system of internal financial controls.

Composition

The Committee shall consist of three directors, the majority of whom are “independent” within the meaning of National Instrument 52-110, *Audit Committees*, for so long as the Company is a “venture issuer”, as defined therein. The Committee shall be appointed annually by the Board immediately following the annual general meeting of the Company.

Each member of the Committee shall be financially literate, meaning that he must be able to read and understand financial statements. One member of the Committee must have accounting and financial expertise, meaning that he possesses financial or accounting credentials or has experience in finance or accounting.

Duties

The Committee’s duty is to monitor and oversee the operations of management and the external auditor. Management is responsible for establishing and following the internal controls, financial reporting processes and for compliance with applicable laws and policies. The external auditor is responsible for performing an independent audit of the Company’s financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements. The Committee should review and evaluate this Charter on an annual basis.

The specific duties of the Committee are as follows:

Management Oversight:

- Review and evaluate the Company’s processes for identifying, analyzing and managing financial risks that may prevent the Company from achieving its objectives;
- Review and evaluate the Company’s internal controls, as established by management;
- Review and evaluate the status and adequacy of internal information systems and security;
- Meet with the external auditor at least one a year in the absence of management;
- Request the external auditor’s assessment of the Company’s financial and accounting personnel; and
- Review and evaluate the Company’s banking arrangements.

External Auditor Oversight

- Review and evaluate the external auditor's process for identifying and responding to key audit and internal control risks;
- Review the scope and approach of the annual audit;
- Inform the external auditor of the Committee's expectations;
- Recommend the appointment of the external auditor to the Board;
- Meet with Management at least once a year in the absence of the external auditor;
- Review the independence of the external auditor on an annual basis;
- Review with the external auditor both the acceptability and the quality of the Company's accounting principles; and
- Confirm with the external auditor that the external auditor is ultimately accountable to the Board and the Committee, as representatives of the shareholders.

Financial Statement Oversight

- Review the quarterly reports with both management and the external auditor;
- Discuss with the external auditor the quality and the acceptability of the generally accepted accounting principles applied by management;
- Review and discuss with management the annual audited financial statements; and
- Recommend to the Board whether the annual audited financial statements should be accepted, filed with the securities regulatory bodies and publicly disclosed.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors, consisting of Peter Espig, Frank Högel and Doug F. Robinson. As defined in NI 52-110, Mr. Espig, the Company's CEO and President, is not "independent", as he is an officer of the Company. Messrs. Robinson and Högel are "independent" as defined in NI 52-110.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as an understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries, and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

Peter Espig

Mr. Espig has been the President and CEO of the Company since November 7, 2013 and was the Interim President and Interim CEO of the Company from July 9, 2013 to November 7, 2013. In August 2006, Mr. Espig founded TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized companies, and pre-initial public offering investment and consulting. Mr. Espig has been a founding director of Phosplatin Therapeutics, a private biopharmaceutical company, since November 2010. He was formerly the Chief Financial Officer of Long Harbour Exploration Ltd., a mineral exploration company listed on the TSXV, from March 2013 to December 18, 2014, and is Chairman of the Vancouver Center of Arts and Technology.

Frank Högel

Mr. Högel is an asset manager actively involved in the financial evaluation of companies and convertible debenture structuring. He has also served as President and Chief Executive Officer of Peter Beck Performance Funds and Peter Beck and Partner Asset Management Company Limited since 2002. His background includes more than 14 years of direct experience in the mining industry and expertise as an international financier / investor. Mr. Högel holds a degree in Economics and International Business and Management from the University of Nürtingen in Germany.

Doug F. Robinson

Mr. Robinson has been a member of the British Columbia Bar since 1973. He was a partner at Lawson Lundell LLP for over 25 years. Since May 2001, he has been the principal of Robinson & Co., a law firm. He has served as a director of the Law Institute of B.C., founding director of the B.C. Mediation Society, and the founding Chair of The Canadian Forum of Civil Justice. Mr. Robinson has also served as an executive member and President of the Canadian Bar Association, B.C. branch, and as President of the UBC Alumni Association. Mr. Robinson graduated from the University of British Columbia with a combined Bachelor of Commerce and LL.B degree and was trained as a mediator at Simon Fraser University and Harvard Law School. He serves on the boards of directors of several privately held companies.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor 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 the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of National Instrument 52-110 in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's auditor, Davidson & Company LLP, Chartered Professional Accountants, for the fiscal years ended December 31, 2017 and December 31, 2016, by category, are as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2017	\$37,500	\$1,000	\$28,850	\$3,600
2016	\$50,000	\$1,000	\$9,500	\$Nil

Exemption

The Company is relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Shares outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares, where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by persons other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), as adopted by the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Mr. Espig, the Company's President and CEO, is not considered to be independent as he is an officer of the Company. Messrs. Robinson, Högel and Johnston are considered to be independent in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the respective director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders.

Directorships

The following table sets out information regarding other directorships presently held by directors of the Company with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

Name of Director	Names of Other Reporting Issuers	Exchange
Peter Espig	Seaway Energy Services Inc.	TSXV
Doug F. Robinson	None	
Frank Högel	Avrupa Minerals Ltd.	TSXV
	Monarca Minerals Inc.	TSXV
	Golden Goliath Resources Ltd.	TSXV
	Tembo Gold Corp.	TSXV
Paul Johnston	None	

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

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

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees proposed are generally the result of recruitment efforts by the members of the Board, including both formal and informal discussions among the members of the Board.

Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, or any associate or affiliate of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Company's stock option plan, pursuant to which they may be granted stock options. See "Particulars of Matters to be Acted Upon – Ratification of 2015 Stock Option Plan", below, for more information.

PARTICULARS OF MATTERS TO BE ACTED UPON

Ratification of 2015 Stock Option Plan

The 2015 Plan is a "rolling" stock option plan, whereby the maximum number of Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued shares of the Company and, as such, will increase with the issue of additional shares of the Company. The TSXV requires listed companies that have a "rolling" stock option plan in place to receive shareholder approval of such plan on a yearly basis at the company's annual meeting. Accordingly, shareholders of the Company will be asked at the Meeting to ratify and approve the 2015 Plan. The 2015 Plan complies with the current policies of Exchange for Tier 2 issuers.

The purpose of the 2015 Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating selected directors, officers, employees, consultants and management company employees of the Company of high caliber and potential, and to encourage and enable such persons to acquire an ownership interest in the Company.

The following information is intended as a brief description of the 2015 Plan and is qualified in its entirety by the full text of the 2015 Plan, which is attached as Schedule "A" to the Company's information circular dated November 16, 2015, which was filed under the Company's profile on SEDAR on November 19, 2015 and is available at www.sedar.com:

1. The Board shall establish the exercise price at the time each option is granted, subject to the following conditions:
 - (a) if the Shares are listed on the TSXV, the exercise price will not be less than the minimum prevailing price permitted by TSXV policies;
 - (b) if the Shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, then the exercise price will be determined by the Board at the time of granting;
 - (c) if an option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by TSXV policies and the per share price paid by public investors for Shares acquired under the distribution by the prospectus, with the 90 day period beginning on the date a final receipt is issued for the prospectus; and

- (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated option shall again be available for a grant under the 2015 Plan.
 3. No option granted under the 2015 Plan may have an expiry date exceeding ten years from the date on which the option is granted (unless automatically extended as a result of a blackout period as described below).
 4. The expiry date of each option will be automatically extended if the expiry date falls within a period during which the Company prohibits optionees from exercising their options, provided that:
 - (a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as defined in the policies of the TSXV). For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any options will not be automatically extended in any circumstances;
 - (b) the blackout period expires upon the general disclosure of the undisclosed Material Information and the expiry date of the affected options is extended to no later than ten (10) business days after the expiry of the blackout period; and
 - (c) the automatic extension will not be permitted where the optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.
 5. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued Shares, unless the Company has obtained disinterested shareholder approval.
 6. Options granted to any one consultant in any 12 month period cannot exceed more than 2% of the issued Shares, without the prior consent of the TSXV.
 7. Options granted to all persons, in aggregate, conducting investor relations activities in any 12 month period cannot exceed more than 2% of the issued Shares, without the prior consent of the TSXV.
 8. Options issued to optionees performing investor relations activities will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
 9. If a director, employee or consultant of the Company is terminated for cause, then any option granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant of the Company by reason of termination for cause.
 10. If an option holder ceases to be a director, employee or consultant of the Company (other than by reason of death, disability or termination of services for cause), or if an optionee resigns, as the case may be, then any option granted to the holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the holder ceases to be a director, employee or service provider of the Company.

11. If the engagement of an option holder engaged in investor relations activities as a consultant is terminated for any reason other than cause, disability or death, any option granted to such holder that was exercisable and had vested on the date of termination will be exercisable until the earlier of the expiry date and the date that is 30 days after the effective date of the holder ceasing to be a consultant.
12. If an option holder dies, the holder's lawful personal representatives, heirs or executors may exercise any option granted to the holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the holder.
13. If an option holder ceases to be a director, employee or consultant of the Company as a result of a disability, the holder may exercise any option granted to the holder that had vested and was exercisable on the date of disability until the earlier of the expiry date and one year after the date of disability.
14. Options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
15. The 2015 Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the 2015 Plan to any eligible party, including themselves.
16. Options granted under the 2015 Plan shall not be assignable or transferable by an option holder.
17. The Board may from time to time, subject to regulatory or shareholder approval, amend or revise the terms of the 2015 Plan.

The 2015 Plan provides that other terms and conditions may be attached to a particular option at the discretion of the Board.

Upon request, the Company will promptly provide a copy of the 2015 Plan free of charge to a Shareholder. A Shareholder may contact the Company at its office at 3329 Aberdeen Road, Lower Nicola, BC V0K 1Y0, to request a copy.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**2015 Plan Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the 2015 Plan Resolution:

"RESOLVED, as an ordinary resolution of the shareholders of Nicola Mining Inc. (the "**Company**"), that:

1. The Company's 2015 Stock Option Plan (the "**Plan**") as described in the Company's information circular dated May 18, 2018, including the reservation for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the TSX Venture Exchange (the "**Exchange**");
2. The Board be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Exchange; and

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The form of the 2015 Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the 2015 Plan Resolution.

Management of the Company recommends that Shareholders vote in favour of the 2015 Plan Resolution at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at its office at 3329 Aberdeen Road, Lower Nicola, BC V0K 1Y0, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Lower Nicola, British Columbia as of this 18th day of May, 2018.

ON BEHALF OF THE BOARD OF DIRECTORS OF

NICOLA MINING INC.

"Peter Espig"

Peter Espig
President, Chief Executive Officer
and Director