

THEMAC RESOURCES GROUP LIMITED
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MANAGEMENT PROXY CIRCULAR
as at July 20, 2018, or as otherwise indicated

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of THEMAC Resources Group Limited (the “Corporation”) for use at the annual meeting (the “Meeting”) of its shareholders to be held on August 29, 2018 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Corporation”, “we” and “our” refer to THEMAC Resources Group Limited. “Shares” means common shares without par value in the capital of the Corporation. “Registered Shareholders” means those shareholders whose names appear on the records of the Corporation as the registered holders of Shares. “Beneficial Shareholders” means shareholders who do not hold Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a proxy using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Whatever method a Registered Shareholder chooses to submit their proxy they must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders or as set out in the following disclosure.

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (the "intermediary"). 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than the persons designated in the VIF, to

represent your Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted at the Meeting or to have an alternate representative duly appointed to attend and vote your Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and are being effected in accordance with the corporate laws of Yukon, Canada and securities laws of the provinces and territories of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (Yukon), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the office of the attorney for service in British Columbia of the Corporation at 1500 – 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder's Shares.

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

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as set out under “Particulars of Other Matters to be Acted Upon – “Amended and Restated Share Option Plan”.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “Board”) of the Corporation has fixed July 20, 2018 as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting, except to the extent that:

- (c) the shareholder has transferred the ownership of any such Shares after the Record Date; and
- (d) 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.

As of July 20, 2018, there were 79,400,122 Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the directors and executive officers of the Corporation, the only persons that beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation as at July 20, 2018 was:

<u>Shareholder Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
Kevin William Maloney	60,476,879 ⁽¹⁾	76.2%

Note:

- (1) 1,965,000 of these Shares are held in the name of Kevin William Maloney, 10,561,879 of these Shares are held in the name of Marley Holdings Pty Ltd., a private company of which Kevin Maloney is a director, and 47,950,000 of these Shares are held in the name of Tulla Resources Group Pty Ltd. (“Tulla”), also a private company of which Kevin Maloney is the Executive Chairman. The above information was supplied to the Corporation by Kevin Maloney.

FINANCIAL STATEMENTS

The audited annual consolidated financial statements of the Corporation for the year ended June 30, 2017, report of the auditor and related management discussion and analysis thereof are filed on SEDAR at www.Sedar.com and will be placed before the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

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

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of seven. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (Yukon), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The Board has set the number of directors to be elected at the Meeting at five (5). Accordingly, pursuant to the Corporation's Articles of Incorporation, the Shareholders will be asked to elect five (5) directors at the Meeting.

Advance Notice By-Law

On October 29, 2013, the Board adopted an advance notice by-law. (the "Advance Notice By-Law") for the purpose of providing Shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation in connection with any annual or special meeting of shareholders. The Advance Notice By-Law was ratified and approved by Shareholders at the Corporation's annual meeting held on December 19, 2013.

The purpose of the Advance Notice By-Law is to (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders. The Advance Notice By-Law fixes the deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders.

Another purpose of the Advance Notice By-Law is to foster a variety of interests of the Shareholders by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice By-Law fixes a deadline by which holders of common shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the advance notice to the Corporation for it to be in proper written form.

The Advance Notice By-Law also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice By-Law, is not comprehensive and is qualified by the full text of such policy, a copy of the Corporation's Advance Notice By-Law is filed under the Corporation's SEDAR profile at www.sedar.com.

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

The Board has an audit committee, a compensation committee and a corporate governance committee. The following table also discloses membership of these committees.

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years*</i>	<i>Previous Service as a Director</i>	<i>Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>
KEVIN WILLIAM MALONEY Chairman, Director New South Wales, Australia	Executive Chairman of Marley Holdings Pty Ltd.; Non-Executive Chairman of HRL Holdings Limited, listed on the ASX in Australia; Executive Chairman of Tulla Resources Group Pty Ltd. and Norseman Gold Plc.	Director Since September, 2005	60,476,879 ⁽¹⁾
ANDREW MALONEY ⁽⁶⁾⁽⁸⁾ CEO, Director London, United Kingdom	Managing Director of Tulla Group. Former Executive at The MAC Services Group and has held numerous roles in the development and construction industry;	Director Since February 15, 2013	837,500 ⁽²⁾
BARRETT SLEEMAN, P.ENG. ⁽⁷⁾⁽⁸⁾ Director Washington, U.S.A.	President of Ernest Resources Limited, a private consulting company owned by Mr. Sleeman.	Director Since December, 2002	1,365,251 ⁽³⁾
JOEL D. SCHNEYER ⁽⁶⁾⁽⁷⁾⁽⁸⁾ Director Colorado, U.S.A.	Managing Director at Capstone Headwaters, and predecessor firm Headwaters MB, since 2010; Founder and President of Mercantile Resource Finance since 1996	Director Since February 22, 2011	1,025,000 ⁽⁴⁾
DEBORAH PEACOCK ⁽⁶⁾⁽⁷⁾ Director New Mexico, U.S.A.	President, CEO and managing partner at Peacock Law P.C.	Director Since December 7, 2016	250,000 ⁽⁵⁾

Notes:

- (1) 10,561,879 of these Shares are held in the name of Marley Holdings Pty Ltd., a private company of which Kevin Maloney is a director, and 47,950,000 of these Shares are held in the name of Tulla Resources Group Pty Ltd. ("Tulla"), also a private company of which Kevin Maloney is the Executive Chairman. Kevin Maloney also holds options to purchase 500,000 Shares at an exercise price of \$0.05 per Share expiring September 12, 2022.
- (2) Andrew Maloney also holds options to purchase 4,053,514 Shares at an exercise price of \$0.05 per Share expiring August 22, 2022 and options to purchase 500,000 Shares at an exercise price of \$0.05 per Share expiring September 12, 2022.
- (3) 498,919 of these Shares are held in the name of Ernest Resources Limited, a private company controlled by Barrett Sleeman. Mr. Sleeman also holds options to purchase 500,000 Shares at an exercise price of \$0.05 per Share expiring September 12, 2022.
- (4) The 1,025,000 shares are held in the name of Mercantile Resource Finance, Inc., a private company owned by Mr. Schneyer. Mr. Schneyer also holds options to purchase 500,000 Shares at an exercise price of \$0.05 per Share expiring September 12, 2022.
- (5) Ms. Peacock also holds options to purchase 500,000 Shares at an exercise price of \$0.05 per Share expiring September 12, 2022.
- (6) Member of the Audit Committee.
- (7) Member of the Corporate Governance Committee.
- (8) Member of the Compensation Committee.

*The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.

Occupation, Business or Employment of Directors

Kevin William Maloney – Director

Mr. Kevin William Maloney has been the Chairman of the Corporation since 2005 and was formerly the Executive Chairman and Managing Director of The MAC Services Group Limited (“The MAC”) from 1988 until its sale to Oil States International in 2011. Mr. Maloney serves as an Executive Chairman at Norseman Gold Plc. He was the Founder and Executive Chairman of The MAC. He also serves as the Chief Executive Officer and Managing Director of Tulla Group Pty Ltd. He has had an extensive career in retail banking, finance and resources. Mr. Maloney joined Elders Resources in 1981, after spending 20 years with the ANZ Bank. During his time at Elders Resources he held numerous positions including as Chief Executive Officer of Elders Resources Finance Ltd. Mr. Maloney has a wealth of experience in the resources and finance industries and was heavily involved in all stages of The MAC’s growth, including its move into mining services accommodation in 1996. He has considerable experience in debt and equity raisings for both listed and unlisted companies including many resource companies.

Andrew Maloney – Director

Mr. Andrew Maloney served as Interim Chief Executive Officer of the Corporation from February 2013 until his appointment as Chief Executive Officer of the Corporation in August 2013. Mr. Maloney is Managing Director of Tulla Group, the family investment office of the Maloney’s. Tulla Group is the major shareholder of the Corporation with its investment focus on the resources sector. Prior to his Managing Director role at Tulla Group, Andrew was an Executive at The MAC Services Group, Australia’s largest integrated mining accommodation provider. During his 10 years at The MAC Services Group, he was instrumental in that company’s growth, its public listing on the ASX in 2007 and then the ultimate sale of the company in 2010 for \$651m to the NYSE listed Oil States International Inc. Mr. Maloney has held numerous roles in the development and construction industry. Mr. Maloney’s experience as a leader in public company work with The MAC Services Group provides the Audit Committee with strong financial knowledge.

Barrett Sleeman – Director

Mr. Barrett Sleeman, served as the Chief Executive Officer of Themac Resources Group Ltd. from October 2001 to August 2011, and also served as its President until August 2011. He served as Chief Financial Officer of Themac Resources Group Ltd. until March 1, 2011. He served as a Director of SinoCoking and Coke Chemical Industries Inc. from August 24, 1999 to February 15, 2010. Mr. Sleeman is president of Ernest Resources Limited, a private corporation he controls.

Joel D. Schneyer – Director

Mr. Joel Schneyer is the current Audit Committee Chair, and is a Managing Director in the Minerals, Capital & Advisory Practice at Capstone Headwaters, an independent middle market investment bank. Mr. Schneyer joined Capstone Headwaters in 2018, as a result of a strategic transaction involving his prior employer Headwaters MB with Capstone Partners. Prior to Headwaters MB, he worked at Mercantile Resource Finance, an advisory firm to the natural resource sector that he founded in 1996. Earlier to that, he was Manager of Derivative Finance in the metals group of Barclays Bank, and a Senior Analyst in the New Business and Strategic Planning Group, at Billiton Royal Dutch Shell. Before commencing on his banking career, Mr. Schneyer worked as an oil and gas exploration geologist with Celeron Oil & Gas (Goodyear) and IP Petroleum (International Paper), and as a field geologist for the U.S. Geological Survey. He holds a B.A. with High Honours (Geology) from Colgate University, an M.A. (Geology) from the University of Texas at Austin, and an M.S. (Mineral Economics) from the Colorado School of Mines. He holds the ICD.D certification from the Institute of Corporate Directors and the FINRA Series 79 investment banking license. Mr. Schneyer’s extensive experience in the field of finance has provided him with the financial literacy required to serve as the Corporation’s Audit Committee Chair.

Deborah Peacock – Director

Ms. Deborah Peacock is the current President, CEO and managing partner at Peacock Law P.C., the largest intellectual property firm in New Mexico. She is a registered patent attorney, licensed in New Mexico, New York and Colorado, as well as a registered professional engineer in New Mexico and Colorado. Before graduating from Harvard Law School, Ms. Peacock worked as a metallurgical engineer with Kennecott Copper Utah Division and previously at a cassiterite mine / mill in Tasmania, Australia. Ms. Peacock represents natural resource companies worldwide, regarding leading edge technologies, business and intellectual property strategies. Ms. Peacock has served in financial oversight roles as a business owner/operator and business and transaction advisor. Ms. Peacock is also a director of New Mexico Gas Company and Emera Technologies, LLC which are wholly owned subsidiaries of Emera Inc. She is financially literate, is an audit committee financial expert, and is able to serve on the Corporation's Audit Committee. Ms. Peacock chairs the Corporation's Corporate Governance Committee.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Corporation acting solely in such capacity.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

Cease Trade Orders and Bankruptcies

Within the last 10 years before the date of this Circular, except as disclosed below, no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this Circular is prepared) or acted in that capacity for a company that was:

- (e) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (f) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (g) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has 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;
- (h) subject to 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
- (i) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Kevin Maloney is the Executive Chairman and a director of Norseman Gold Plc. ("NGL"), a gold production and exploration company listed on the Australian Stock Exchange ("ASX"). NGL is currently suspended from official quotation on the ASX.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance coverage against liability incurred by the directors and officers of the Corporation serving in such capacity. The current annual coverage limit for the Corporation is \$5,000,000. There is generally a deductible of \$15,000 unless provided otherwise under the insurance policy. The most recent annual premium paid by the Corporation under this coverage was \$10,500. In addition, the Corporation paid \$4,000 in additional coverage for a \$3,000,000 additional "Side A" coverage, and a related commission, respectively.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, Vancouver, British Columbia, will be nominated at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the directors. Davidson & Company LLP was first appointed as auditor of the Corporation by the Shareholders on December 3, 2014.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* ("NI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its Management Proxy Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth in the following disclosure:

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached to the Management Proxy Circular for the 2005 annual meeting and filed on SEDAR at www.sedar.com on November 18, 2005, and is incorporated herein by reference.

Composition of the Audit Committee

The members of the Audit Committee are Joel Schneyer, Andrew Maloney and Deborah Peacock. Mr. Schneyer and Ms. Peacock are independent members of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

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

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

Relevant Education and Experience

See the disclosure above under the heading "Occupation, Business or Employment of Directors".

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's

financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the auditors to the Corporation to ensure auditor independence. Fees incurred with the auditors for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<i>Financial Year Ending</i>	<i>Audit Fees⁽¹⁾</i>	<i>Audit Related Fees⁽²⁾</i>	<i>Tax Fees⁽³⁾</i>	<i>All Other Fees⁽⁴⁾</i>
June 30, 2017	\$30,000	\$Nil	\$Nil	\$Nil
June 30, 2016	\$30,000	\$Nil	\$Nil	\$Nil

Notes:

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

Reliance on Certain Exemptions

The Corporation's auditor, Davidson & Company LLP, Chartered Professional Accountants, has not provided any material non-audited services.

Pre-Approval Policies and Procedures

See Audit Committee Charter for specific policies and procedures for the engagement of non-audit services.

Exemption

As the Corporation is a "venture issuer" as defined under NI 52-110, it is relying upon the exemptions from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good

management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

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

The Board considers that Barrett Sleeman, Joel Schneyer and Deborah Peacock are independent within the meaning of NI 52-110. Mr. Schneyer is a member of the Audit, Compensation and Corporate Governance Committees. Ms. Peacock is a member of the Audit Committee and Corporate Governance Committee. Mr. Sleeman is a member of the Compensation Committee and Corporate Governance Committee.

The Board considers that, within the meaning of NI 52-110, Kevin Maloney is non-independent due to his control of a material share ownership position in the Corporation and Mr. Andrew Maloney is non-independent as he currently acts as an executive officer of the Corporation.

The Board considers that three of the five members of the Board are “independent” within the meaning of NI 52-110. Accordingly, a majority of the Board is independent. The Board encourages leadership and independence at the Board by delegating key matters to Board committees which are composed of a majority of independent members.

During the most recently-completed fiscal year, the independent members of the Board held no meetings at which non-independent members of the Board and members of management were not present. However, the Board is of the view that given its size, the nature of the Corporation’s activities and the experience of each of the members of the Board, the presence of the non-independent directors at Board meetings does not prevent the independent directors from engaging in open and candid discussion regarding any issues that may come before the Board.

Kevin Maloney chairs the meetings of the Board and is not an independent director. Given the current size of the Board and the nature of the Corporation’s activities, the Board believes that Mr. Maloney is uniquely suited to fulfil his role as the chair of Board meetings. The Board does not have a “lead director”. The other directors are all senior, experienced managers very familiar with the mining and exploration industry. “In Camera” sessions are available for use by the independent directors as frequently as they feel is necessary.

Directorships

The directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Kevin William Maloney	Altona Mining Limited Norseman Gold PLC	ASX ASX
Joel D. Schneyer	Aston Bay Holdings Ltd.	TSXV

Orientation and Continuing Education

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

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

The Board does not formally provide continuing education to its directors. The directors are experienced members, including three independent directors who are directors and/or officers of other reporting issuers in the mining sector. The Board relies on professional assistance when judged necessary in order to be educated or updated on a particular topic.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' 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 Corporation.

Nomination of Directors

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

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

Compensation

The Compensation Committee is composed of a majority of the independent directors. Joel D. Schneyer and Barrett Sleeman are independent and Andrew Maloney is non-independent. The Compensation Committee reviews and recommends to the Board for approval the compensation of the members of the Board and the senior executives of the Corporation.

The process by which the Compensation Committee determines the compensation of its executive officers is described in the section entitled "Statement of Executive Compensation" below.

The Corporation did not engage any compensation consultant or advisor during the most recently completed fiscal year.

Other Board Committees

There are no committees of the Board other than the Audit Committee, the Compensation Committee, and the Corporate Governance Committee.

The members of the Corporate Governance Committee are Deborah Peacock (Chairman), Barrett Sleeman, and Joel D. Schneyer.

The primary role and responsibility of the Corporate Governance Committee is to:

1. review and make recommendations to the Board respecting:
 - (a) corporate governance in general and the Board's stewardship role in the management of the Corporation, including the role and responsibilities of directors and appropriate policies and procedures for directors to carry out their duties with due diligence and in compliance with all legal and regulatory requirements;
 - (b) general responsibilities and functions of the Board and its members, including position descriptions for the President and Chief Executive Officer and the Chair;
 - (c) the organization, mandate and responsibilities of Board committees;

- (d) the procedures for effective Board meetings to ensure that the Board functions independently of management and without conflicts of interest;
 - (e) the long term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board and the strategic direction of the Corporation;
 - (f) the Board nominees for election as members of the Board, in consultation with the Chair of the Board and the President and Chief Executive Officer, annually;
 - (g) as required, candidates to fill any Board and Committee vacancies;
 - (h) annually, together with the Chairs of other Board Committees, the scope, duties and responsibilities of those Committees and where advisable, any amendments thereto, as well as the establishment or disbanding of Board Committees and changes to their composition, including the Chairs thereof;
 - (i) the framework for delegating authority from the Board to management; and
 - (j) any improvements necessary to ensure an effective and appropriate working relationship between management and the Board.
2. review the qualifications of candidates for Board membership and the slate of candidates for directors to be nominated for election by shareholders at annual general meetings of shareholders;
 3. oversee the development and implementation of a process for regularly assessing the effectiveness of the Board, its committees and its members;
 4. oversee the development of appropriate induction and education programs for new directors;
 5. oversee the development of corporate governance policies and practices and a procedure for assessing the effectiveness of, and compliance with, those policies and practices;
 6. establish procedures for Board meetings and to otherwise ensure that the processes, procedures and structure are in place to ensure that the Board functions independently of management and without conflicts of interest;
 7. review related party transactions to ensure that they reflect sound industry practices and are in the best interests of the Corporation; and
 8. review and approve the corporate governance disclosure section in the Corporation's management proxy circular, and any other corporate governance matters as required by public disclosure requirements.

Assessments

The Board, as a whole, is responsible for assessing on an ongoing basis the: (i) performance and contribution of each of the members of the Board on an individual basis; and (ii) performance and effectiveness of the Board generally and of each of its Committees. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the committees.

STATEMENT OF EXECUTIVE COMPENSATION

Executive Compensation

In this section, "Named Executive Officer ("NEO") means each of the following individuals:

- (j) a Chief Executive Officer ("CEO");

(k) a Chief Financial Officer ("CFO");

(l) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and

(m) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at June 30, 2017.

As at June 30, 2017, Andrew Maloney, CEO, Mark McIntosh, CFO and Jeffrey Smith, Chief Operating Officer ("COO") were each a NEO of the Corporation for the purposes of the following disclosure.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to the NEOs and directors for the financial year ended June 30, 2017.

Compensation Discussion and Analysis

The Board has a Compensation Committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, are performed by the Compensation Committee.

The Compensation Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Compensation Committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Philosophy and Objectives

The Corporation is a small, junior resource Corporation with limited resources. The compensation program for the senior management of the Corporation is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (n) attracting and retaining qualified executives;
- (o) motivating the short and long-term performance of these executives; and
- (p) better aligning their interests with those of the Corporation's shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Corporation operates is a first step to attracting and retaining qualified and effective executives.

Bonus Incentive Compensation

The Corporation's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the

Compensation Committee. Such recommendations are generally based information provided by issuers that are similar in size and scope to the Corporation's operations.

Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's share option plan. Options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the Compensation Committee. Due to the Corporation's limited financial resources, the Corporation emphasises the provisions of option grants to maintain executive motivation.

Option-Based Awards

The Corporation has in place a fixed option plan (the "Option Plan") dated for reference December 3, 2014 and previously approved by Shareholders. The Option Plan is a "fixed" plan pursuant to which the Corporation reserves up to 15,880,024 Shares for issuance upon exercise of options. Options can be granted for a term not to exceed ten years. See disclosure under heading "*Securities Authorized for Issuance Under Equity Compensation Plans*" below. During the year ended June 30, 2017, there were no options granted to purchase Shares and 75,000 options expired. During the year ended June 30, 2017, the exercise price of the 9,577,194 outstanding stock options were re-priced to \$0.05 with an expiry date of August 22, 2022. As at June 30, 2017 there were options outstanding to purchase an aggregate of 9,577,194 Shares. Subsequent to the year ended June 30, 2017, the Company issued an additional 4,448,000 options with an exercise price of \$0.05 and an expiry date of September 12, 2022.

The process by which the Board grants option-based awards to executive officers is:

- (a) The Compensation Committee recommends base salaries and stock option grants to the Board based on such criteria as performance, previous grants and hiring incentives. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Option Plan.
- (b) Options are granted at other times of the year to individuals commencing employment with the Corporation.
- (c) The exercise price for the options is set in accordance with the policies of the TSX Venture Exchange ("TSXV").

Perquisites and Other Personal Benefits:

The Corporation's NEOs are not generally entitled to significant perquisites or other personal benefits not offered to the Corporation's other employees.

The Corporation has not adopted a policy restricting its NEOs or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the NEOs or directors have purchased such financial instruments.

Summary Compensation Table

The compensation paid to NEOs during the Corporation's three most recently completed financial years as of June 30, 2017, 2016 and 2015 is set out below and expressed in Canadian dollars unless otherwise noted:

<i>Name and Principal Position</i>	<i>Year</i>	<i>Salary (\$)</i>	<i>Share Based Awards (\$)</i>	<i>Option Based Awards (\$)</i>	<i>Non-equity Incentive Plan Compensation (Annual and Long Term) (\$)</i>	<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)⁽³⁾</i>	<i>Total Compensation (\$)</i>
Andrew Maloney CEO	2017	177,971	Nil	Nil ⁽¹⁾	Nil	Nil	321,519 ⁽⁵⁾	499,490
	2016	175,275	Nil	Nil ⁽¹⁾	Nil	Nil	55,000 ⁽⁴⁾	230,275
	2015	172,450	Nil	Nil ⁽²⁾	Nil	Nil	55,000 ⁽⁴⁾	227,450
Mark McIntosh CFO	2017	Nil	Nil	Nil ⁽¹⁾	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil ⁽¹⁾	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil ⁽²⁾	Nil	Nil	Nil	Nil
Jeffrey Smith COO	2017	331,711	Nil	Nil ⁽¹⁾	Nil	Nil	653,488 ⁽⁵⁾	985,199
	2016	331,759	Nil	Nil ⁽¹⁾	Nil	Nil	31,101	362,860
	2015	315,598	Nil	34,276 ⁽²⁾	Nil	Nil	Nil	315,598

Notes:

- (1) There were no options granted during the years ended June 30, 2016 or June 30, 2017. The fair value of options re-priced during the year ended June 30, 2017 was estimated using the Black-Scholes option pricing model. During the year ended June 30, 2017, Black-Scholes option pricing model with the following weighted-average assumptions: annualized volatility of 194%, risk-free interest rate of 0.91%, expected life of 4.7 years and a dividend rate of Nil%.
- (2) The fair value of options granted during the year ended June 30, 2015 was estimated using the Black-Scholes option pricing model. During the year ended June 30, 2015, Black-Scholes option pricing model with the following weighted-average assumptions: annualized volatility of 181.76%, risk-free interest rate of 0.94%, expected life of 2.3 years and a dividend rate of Nil%.
- (3) "All Other Compensation" relates to director's fees paid to Andrew Maloney pursuant to his service on the Board of Directors in accordance with the fees payable to Board members.
- (4) The Corporation issued 550,000 Shares to Andrew Maloney to settle \$27,500 in accrued directors' fees.
- (5) Bonus payments are made at the discretion of the Board of Directors. Timing and form of the payment of these bonuses remains subject to the board's discretion. The form and timing is being designed to reflect the Company's financial capacity and long-term incentive nature of the compensation. Due to ongoing capitalization constraints, the Board has determined that management and staff will not be adequately compensated by the granting of stock options and has recognized bonuses for past service in the year ended June 30, 2017.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at June 30, 2017, for the NEOs:

<i>Name</i>	<i>Option-based Awards</i>				<i>Share-based Awards</i>	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date (M/D/Y)</i>	<i>Value of unexercised in-the-money options (\$)⁽¹⁾</i>	<i>Number of Shares or units of Shares that have not vested (#)</i>	<i>Market or payout value of share-based awards that have not vested (\$)</i>
Andrew Maloney CEO	4,053,514	0.05	08/22/2022	Nil	Nil	Nil
Mark McIntosh CFO	Nil	N/A	N/A	Nil	Nil	Nil
Jeffrey Smith COO	4,520,441	0.05	08/22/2022	Nil	Nil	Nil

Notes:

- (1) This amount is calculated based on the difference between the exercise price of the option and closing price of the Shares on the TSXV on June 30, 2017 of \$0.03.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned by the NEOs under incentive plans during the year ended June 30, 2017:

<i>Name</i>	<i>Option-based awards – Value vested during the year (\$)</i>	<i>Share-based awards – Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (\$)</i>
Andrew Maloney, CEO	Nil	N/A	N/A
Mark McIntosh, CFO	Nil	N/A	N/A
Jeffrey Smith, COO	Nil	N/A	N/A

Notes:

- (1) This amount is the aggregate dollar value that would have been realized if the options under the option based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting.
- (2) The Corporation has not granted any share-based awards.

See “Securities Authorized Under Equity Compensation Plans” for further information on the Corporation’s Plan.

Pension Plan Benefits

The Corporation does not have a pension plan and does not pay pension benefits to any of its NEOs.

Termination and Change of Control Benefits

As of June 30, 2017, the Corporation had no agreements with its NEOs concerning severance payments of cash or equity compensation as a result of termination of their arrangement with the Corporation or as a result of a change of control of the Corporation.

Director Compensation

The compensation provided to the directors who were not NEOs for the Corporation’s most recently completed financial year of June 30, 2017, is:

<i>Director Name</i>	<i>Fees earned (\$)</i>	<i>Share-based awards (\$)</i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)</i>	<i>Total (\$)</i>
Kevin William Maloney	80,000	Nil	Nil	Nil	Nil	Nil	80,000
Barrett Sleeman	50,000	Nil	Nil	Nil	Nil	Nil	50,000
Kenneth Pickering ⁽¹⁾	27,083	Nil	Nil	Nil	Nil	Nil	27,083
Joel D. Schneyer	70,000	Nil	Nil	Nil	Nil	Nil	70,000
Deborah Peacock ⁽²⁾	50,000	Nil	Nil	Nil	Nil	Nil	50,000

Notes:

- (1) Kenneth Pickering resigned effective December 7, 2016.
- (2) Deborah Peacock was appointed Director on December 7, 2016.

The following table sets out all option-based awards and share-based awards outstanding as at June 30, 2017 for directors who were not NEOs of the Corporation:

Director Name	Option-based Awards				Share-based Awards	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date (m - d - y)</i>	<i>Value of unexercised in-the-money options (\$)</i>	<i>Number of shares or units of shares that have not vested (#)</i>	<i>Market or payout value of share-based awards that have not vested (\$)</i>
Kevin William Maloney	Nil	N/A	N/A	Nil	Nil	Nil
Barrett Sleeman	Nil	N/A	N/A	Nil	Nil	Nil
Kenneth Pickering ⁽¹⁾	Nil	N/A	N/A	Nil	Nil	Nil
Joel Schneyer	Nil	N/A	N/A	Nil	Nil	Nil
Deborah Peacock ⁽²⁾	Nil	N/A	N/A	Nil	Nil	Nil

Notes:

- (1) Kenneth Pickering resigned effective December 7, 2016.
(2) Deborah Peacock was appointed Director on December 7, 2016.

The following table sets out the value vested or earned under incentive plans during the fiscal year ended June 30, 2017, by the directors, excluding a director who is already set out in disclosure above as a NEO of the Corporation:

Director Name	<i>Option-based awards – Value vested during the year (\$)</i>	<i>Share-based awards – Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (\$)</i>
Kevin William Maloney	Nil	Nil	Nil
Barrett Sleeman	Nil	Nil	Nil
Kenneth Pickering ⁽¹⁾	Nil	Nil	Nil
Joel D. Schneyer	Nil	Nil	Nil
Deborah Peacock ⁽²⁾	Nil	Nil	Nil

Notes:

- (1) Kenneth Pickering resigned effective December 7, 2016.
(2) Deborah Peacock was appointed Director on December 7, 2016.

There were no further arrangements under which directors were compensated by the Corporation during the most recently completed financial year for their services in their capacity as directors or consultants.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan is a fixed plan under which an aggregate 15,880,024 Shares are reserved for issuance upon the exercise of options awarded under the Option Plan. The Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Option Plan is administered by the Board. The Option Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. Shares issued upon exercise of options granted under the Option Plan will reduce the number of Shares available for grant under the Option Plan. Shares that are subject to option grants that expire or are cancelled without being exercised will again be available for grant under the Option Plan. All options expire on a date not later than 10 years after the

issuance of such option. As at the date hereof there are options outstanding to purchase an aggregate of 9,652,194 Shares.

On March 2, 2016, shareholders voted to approve an amendment to the Option Plan to increase the number of Shares reserved for issuance from 15,298,424 to 15,880,024 (such number represents approximately 20% of 79,400,122 Shares issued and outstanding as at the date of this Circular).

The following table sets out equity compensation plan information as at the end of June 30, 2017.

Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders – the Option Plan	9,577,194	\$0.05	6,302,830
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	9,577,194	\$0.05	6,302,830

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended June 30, 2017, or has any interest in any material transaction in the current year other than as set out herein, except for the following:

- During the year ended June 30, 2017, the Corporation drew funds of \$3,200,331 on its loan (the “Loan”) with Tulla Resources Group Pty Ltd. (“Tulla”), a company controlled by Kevin Maloney, a director of the Corporation. The Loan bears interest at 20% per annum. As at June 30, 2017, the Loan principal of \$43,838,077 plus interest of \$34,690,856 in aggregate \$78,528,933 (2016 - 66,877,904), remains due on the loan agreement with Tulla. The Corporation is accruing interest on the basis of the terms of the Loan agreement which came to term in October 2015. Subsequent to June 30, 2017, the Corporation assigned the Loan to its wholly-owned subsidiary, New Mexico Copper Corporation (“NMCC”) and provided a guarantee of the repayment of the Loan on behalf of NMCC. Concurrently, NMCC entered into a separate loan agreement with Tulla (the “NMCC Loan”). The Corporation has drawn down US\$2,648,638 on the NMCC Loan. The Company has provided a guarantee of the repayment of the Loan on behalf of NMCC. The NMCC Loan has a maximum facility of US\$3,000,000 and bears interest at 20% per annum. The NMCC Loan is unsecured and is payable on demand which demand cannot be made before June 30, 2019.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative annual financial statements and related management discussion and analysis for the Corporation's most recently completed financial year and in the interim financial statements and related management discussion and analysis. The Corporation will provide to any person or company, upon request to Mr. Stephen Law, Secretary of the Corporation, a copy of any of the financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's during the two most recently completed financial years in respect of which such financial statements have been issued and filed with the applicable securities regulatory authorities.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from Stephen Law, Corporate Secretary of the Corporation, at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, telephone no. (604) 868-5394 or fax no. (604) 608-9023. These documents are also available through the Internet on SEDAR at www.sedar.com.

The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document. The foregoing documents are also available on SEDAR at www.sedar.com.

OTHER MATTERS

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

DIRECTORS' APPROVAL

The contents of this Circular and its distribution to shareholders have been approved by the Board of the Corporation.

DATED at Vancouver, British Columbia, as of the 20th day of July, 2018.

BY ORDER OF THE BOARD

"Andrew Maloney"

Andrew Maloney
President and Chief Executive Officer