



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
MANAGEMENT PROXY CIRCULAR**

FOR THE

**ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS**

TO BE HELD ON

MARCH 8, 2017 AT 10:00 A.M. (ET)

AT THE OFFICES OF

**CASSELS BROCK & BLACKWELL LLP
2100 SCOTIA PLAZA, 40 KING STREET WEST
TORONTO, ONTARIO, CANADA, M5H 3C2**



2 Toronto St. Suite 230, Toronto, Ontario,
Canada, M5C2B5
Tel: (604) 568-6378

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual general and special meeting (the “Meeting”) of shareholders of **BATERO GOLD CORP.** (the “Company”) will be held at the offices of Cassels Brock & Blackwell, Suite 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada, M5H 3C2 on Wednesday March 8, 2017 at 10:00 a.m. (ET) for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended August 31, 2016 and the report of the auditor thereon;
2. To determine the number of directors at three;
3. To elect directors of the Company for the ensuing year;
4. To appoint an auditor of the Company for the ensuing year;
5. To ratify and approve the continuation of the share option plan, as described in the information circular for the Meeting (the “Information Circular”), which accompanies this Notice; and
6. To consider any permitted amendment to or variation of any matter identified in this Notice, and to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting.

Regardless of whether a shareholder plans to attend the Meeting in person, we request that each shareholder please complete, date, and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure their shares will be voted at the Meeting. A shareholder who holds shares in a brokerage account is not a registered shareholder.

DATED at Toronto, Ontario the 6th day of February, 2017.

BY ORDER OF THE BOARD

“Felipe Ferraro”

Felipe Ferraro
President and Chief Executive Officer



2 Toronto St. Suite 230, Toronto, Ontario, Canada, M5C 2B5
Tel: (604) 568-6378

INFORMATION CIRCULAR
(as at February 6, 2017 unless indicated otherwise)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Batero Gold Corp. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on March 8, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders 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 officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy (who is not required to be a shareholder), to attend and act for you and 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 Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the 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 (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders who choose to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at (866) 249-7775 and outside North America at (416) 263-9524, by mail to 8th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1, or by hand delivery at 2nd 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 for the toll free number and the Proxy access number; or
- (c) via the internet at Computershare's website, www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Proxy access number,

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

Beneficial Shareholders

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered 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), and, in the United States of America (the "United States" or the "US"), 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).

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

There are two kinds of Beneficial Shareholders – those who object to their identity 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 their identity (called "NOBOs" for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

The Company is relying on the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("VIF") from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate

the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Objecting Beneficial Owners

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

The proxy form supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a VIF in lieu of the Proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company, and who can be you) other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting. To exercise this right, insert the name of the desired representative, who may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting 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 Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and the securities laws of applicable provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of applicable provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of applicable 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 Company is incorporated under the *Business Corporations Act* (British Columbia) (the “Business Corporations Act”), 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 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 at the address set forth in the Proxy, or to the Company at the address of the registered office of the Company at 2 Toronto St. Suite 230, Toronto Ontario, Canada, M5C2B5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

To the best of our knowledge, except as otherwise disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Record Date

The board of directors of the Company has fixed Wednesday February 1, 2017 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 (a) attend the Meeting personally or (b) complete, sign and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

Voting Securities

The Company's authorized share capital consists of an unlimited number of Common Shares without par value, and an unlimited number of preferred shares without par value. The Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "BAT". As of February 6, 2017, there were 115,182,383 Common Shares issued and no preferred shares issued and outstanding. The quorum for the transaction of business at the Meeting is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the Common Shares entitled to be voted at the Meeting.

Subject to any special rights or restrictions attached to any shares (and to restrictions imposed on joint shareholders): (a) on a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy. If there are joint shareholders registered in respect of any share: (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted. No group of shareholders of the Company has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only person that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at February 6, 2017 was:

<u>Shareholder Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
Michelle Navarro-GrauDyer	27,986,400	24.3%

VOTES NECESSARY TO PASS RESOLUTIONS

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

ELECTION OF DIRECTORS

Board Size

The Company's board of directors is currently set at four, however it is intended that only three directors be elected at the Meeting. Accordingly, the Company is requesting that shareholders consider, and if thought advisable, approve an ordinary resolution at the Meeting to set the number of directors at three.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ORDINARY RESOLUTION SETTING THE NUMBER OF DIRECTORS AT THREE.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, **FOR** the ordinary resolution setting the number of directors at three.

Nominees for Election

The current directors will cease to hold office immediately before the election of directors at the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the Business Corporations Act or the terms of the Company's Articles, each director elected at the Meeting will hold office until immediately before the election of directors at the next annual general meeting of shareholders of the Company, or, if no director is then elected, until a successor is elected, or until he otherwise ceases to hold office under the Business Corporations Act or the terms of the Company's Articles.

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

Each of the three director nominees has agreed to stand for election. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated for election at the Meeting.

The following disclosure sets out, as at February 6, 2017, for each of management's nominees for election as directors (a) the nominee's name and the nominee's province or state, and country of residence, (b) the nominee's principal occupation, business or employment for the five preceding years, unless the nominee is now a director and was elected to the present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular, (c) the period of time during which each has been a director of the Company and (d) the number of Common Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee:

Name, and Province or State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽²⁾
FELIPE FERRARO ⁽³⁾ Director, President and Chief Executive Officer Lima, Peru	General Manager for Cori Puno SAC since 2010, a mining and exploration company owned by the principal stakeholders of Consorcio Minero Horizonte; Director of Antioquia Gold Inc. since December 11, 2013; General Manager of Consorcio Minero Horizonte since August 2016.	Since January 4, 2013	2,737,000 ⁽⁶⁾
JUAN DAVID URIBE Director ⁽³⁾⁽⁴⁾ Bogotá, D.C. Colombia	Lawyer. Senior Partner of the law firm of Uribe Trías Valencia S.A.S., practicing mainly in the natural resource and corporate law sectors.	Since January 4, 2013	7,715,287 ⁽⁵⁾
ERNESTO BENDEZÚ ⁽³⁾⁽⁴⁾⁽⁷⁾ Director Lima, Peru	Lawyer. Legal Manager for Consorcio Minero Horizonte S.A. for more than 13 years; Director of Antioquia Gold Inc. since June 2011.	Since February 27, 2015	Nil

Notes:

- (1) The information as to principal occupation, business or employment may not be within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished to the Company by the respective nominees or has been extracted from insider reports available at www.sedi.ca.
- (3) Members of the Company's Audit Committee.
- (4) Members of the Company's Compensation and Corporate Governance Committee.
- (5) Of the 8,694,487 Common Shares held by Mr. Uribe 3,157,287 are held in his own name, 4,558,000 are held through Dragon Red Group Inc., a company controlled by Mr. Uribe. Mr. Uribe also holds options to purchase 2,120,000 Common Shares (see "Statement of Executive Compensation – Incentive Plan Awards – Outstanding Option-based and Share-based Awards" below).
- (6) Mr. Ferraro holds these 2,737,000 Common Shares through Sagu Holdings Corp (BVI) a company controlled by Mr. Ferraro. Mr. Ferraro also holds options to purchase 1,500,000 Common Shares (see "Statement of Executive Compensation – Incentive Plan Awards – Outstanding Option-based and Share-based Awards" below).
- (7) Mr. Bendezu holds options to purchase 1,500,000 Common Shares (see "Statement of Executive Compensation – Incentive Plan Awards – Outstanding Option-based and Share-based Awards" below).

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS. Unless authority to do so with respect to one or more directors is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, **FOR** the election of each of the nominees set forth in the above disclosure.

The Company's management does not contemplate that any of the above nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons designated in the accompanying Proxy to vote the Common Shares represented by such Proxy, properly executed, **FOR** the election of any other person or persons in place of any nominee or nominees unable to serve, unless authority to do so with respect to the nominee or nominees unable to serve is withheld.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) 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 (an "order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order 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, or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
- (c) has, within the 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.

No proposed director 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 be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE APPOINTMENT OF D&H GROUP LLP AS AUDITOR. Unless authority to do so is withheld, the persons designated as proxyholders in the accompany Proxy intend to vote the Common Shares represented by such Proxy, properly executed, **FOR** the appointment of D&H Group LLP, Chartered Accountants, as auditor of the Company to serve until the close of the next annual general meeting of shareholders and the authorization of the directors to fix the remuneration of the auditor. D&H Group have been auditors of the Company since July 7, 2014.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Continuation of Share Option Plan

In order to comply with TSXV policy, and to increase the Company’s flexibility to offer incentive for directors, officers, employees, management and others who provide services to the Company, the shareholders of the Company approved the adoption of a share option plan dated for reference November 15, 2010 (the “Share Option Plan”) at the annual and special meeting of shareholders held on December 16, 2010. In accordance with TSXV policy, at each annual general meeting following adoption of the Share Option Plan, the Company must obtain Shareholder approval to continue the Share Option Plan. Therefore, at the Meeting, the shareholders will be asked to consider and, if deemed appropriate to pass an ordinary resolution approving the continuation of the Share Option Plan. A copy of the Share Option Plan may be obtained upon request from the Company’s Chief Financial Officer at 2 Toronto St. Suite 230, Toronto, Ontario, Canada, M5C2B5 Tel: (604) 568-6378. Copies of the Share Option Plan will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of the Share Option Plan.

The Share Option Plan is a “rolling” plan that is administered by the Board. Under the Plan, a maximum of 10% of the issued and outstanding Common Shares of the Company at the time an option is granted, less Common Shares reserved for issuance upon the exercise of options then outstanding under the Share Option Plan, are reserved for options to be granted at the discretion of Board to eligible optionees. As of the date of this Information Circular, there are 618,238 Common Shares reserved for options to be granted, being 10% of the 115,182,383 issued and outstanding Common Shares less the 10,900,000 Common Shares reserved for issuance upon the exercise of outstanding options. All options granted under the Share Option Plan expire on a date not later than 10 years after the date of grant of such options.

The Share Option Plan is subject to the following restrictions:

- (a) the Company must not grant an option to a bona fide director, officer, management company employee, employee, consultant, or consultant company (the “Service Provider”) in any twelve (12) month period that exceeds five percent (5%) of the outstanding Common Shares unless the Company has obtained disinterested

shareholder approval to do so, being by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("Disinterested Shareholder Approval" also defined in more detail below);

- (b) the aggregate number of options granted to a Service Provider conducting investor relations activities in any twelve (12) month period must not exceed two percent (2%) of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) the Company must not grant an option to a consultant in any twelve (12) month period that exceeds two percent (2%) of the outstanding Common Shares calculated at the date of the grant of the option;
- (d) the aggregate number of Common Shares reserved for issuance under options granted to insiders must not exceed ten percent (10%) of the outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) the number of optioned shares issued to insiders in any twelve (12) month period must not exceed ten percent (10%) of the outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) the issuance to any one optionee within a twelve (12) month period of a number of Common Shares must not exceed five percent (5%) of the outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (g) the exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

The following is a summary of the material terms of the Share Option Plan:

- (a) persons who are Service Providers to the Company or its affiliates, are eligible to receive grants of options under the Share Option Plan;
- (b) options granted under the Share Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) an option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the option), after the date the optionee ceases to be employed by or provide services to the Company, but only to the extent that such option was vested at the date the optionee ceased to be so employed by or to provide services to the Company;
- (d) if an optionee dies, any vested option held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (e) in the case of an optionee being dismissed from employment or service for cause, such optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (f) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Share Option Plan);
- (g) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Company or its affiliates during the vesting period; and
- (h) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Share Option Plan with respect to all Share Option Plan shares in respect of options which have not yet been granted under the Share Option Plan.

At the Meeting, the shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the “Share Option Plan Resolution”):

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Company, that the Company’s Share Option Plan dated November 15, 2010, be and is hereby ratified and approved.”

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting Common Shares at the Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE SHARE OPTION PLAN RESOLUTION. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the Share Option Plan Resolution.

AUDIT COMMITTEE

The Audit Committee’s Charter

The Company’s Audit Committee Charter sets out the Audit Committee’s mandate and responsibilities, and is attached as Schedule “A” to the Company’s annual information form for the year ended August 31, 2011 (the “AIF”) that was filed on SEDAR at www.sedar.com on April 12, 2012. A copy of the AIF is available upon request from the Company’s Chief Financial Officer at 2 Toronto St. Suite 230, Toronto, Ontario, Canada, M5C 2B5 Tel: (604) 568-6378. Copies of the AIF will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of the AIF.

Composition of the Audit Committee

The current members of the Audit Committee are Juan David Uribe, Felipe Ferraro and Ernesto Bendezu. Juan David Uribe and Ernesto Bendezu are independent within the meaning of National Instrument 52-110 *Audit Committees* (“NI 52-110”). Felipe Ferraro is not independent because he is an executive officer of the Company. All members of the Audit Committee are financially literate within the meaning of NI 52-110.

Relevant Education and Experience

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

- **Juan David Uribe:** Mr. Uribe is a Senior Partner of the law firm of Uribe Trías Valencia S.A.S. He is a mining and contracts lawyer, practicing mainly in the natural resource and corporate law sectors. Previously, Mr. Uribe was corporate counsel with TVX Colombia and Newcrest, among other multinational corporations with a presence in Colombia, and currently, is corporate counsel with Hewlett Packard Company and Agilent Technologies, Inc. For more than ten years, he was an executive in the Colombian Financial sector working as Board Member of QBE Insurance Company, Senior Credit Vice President of Banco Latino, Colombia, and as National Credit Manager of Caja de Crédito Agrario Industrial y Minero among others. Mr. Uribe has a Law Degree and a Masters in Commerce Law from Universidad de Los Andes, Bogotá D.C.
- **Felipe Ferraro:** Mr. Ferraro holds a Masters degree in Business Administration from the University ESAN- Stanford University. In 2010 he was appointed General Manager of Cori Puno SAC, which operates the Untuca open pit and underground mine in Peru, with 2015 annual production of 30,000 ounces of gold. Cori Puno SAC also manages several exploration projects including Pomarani, Santa Rosa Pullucunoyoc in Peru. In 2016 Mr. Ferraro was appointed General Manager of Consorcio Minero Horizonte, a company that produced 220,000 ounces of gold in 2016. Mr. Ferraro’s professional experience is closely linked to mining, business enterprise and metalworking industries, food processing and heavy equipment for earthmoving.
- **Ernesto Bendezu:** Mr. Bendezu is a lawyer with 20 years of experience in the mining business.

Such education and experience provides each member with;

- an understanding of the accounting principles used by the issuer to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 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

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

At no time since the commencement of the Company's most recently completed financial year has the Company relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services);
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee pre-approves fees for non-audit services.

External Auditor Service Fees

The aggregate fees billed by the Company's auditors, in the last two fiscal years are shown in the table below.

Nature of Services	Auditors fees for the Year Ended August 31, 2016	Auditors fees for the Year Ended August 31, 2015
Audit Fees ⁽¹⁾	\$28,000	\$32,000
Audit Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$2,000	\$1,000
All Other Fees ⁽⁴⁾	\$Nil	\$10,500
TOTAL	\$30,000	\$43,500

Notes:

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

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

STATEMENT OF 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 the Company and shareholders and help to contribute to effective and efficient decision-making.

The Company has adopted corporate governance policies, codes and charters, including an Audit Committee Charter, Code of Business Conduct and Ethics, Compensation and Corporate Governance Committee Charter.

Constitution and Independence of the Board

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

Members of the current Board who are independent: Ernesto Bendezu and Juan David Uribe. Felipe Ferraro is not independent because he is an executive officer of the Company. The Board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operation of the Company and by ensuring representation on the Board by directors who are independent of management.

Directorships

In addition to the Company, Felipe Ferraro and Ernesto Bendezu are currently directors of Antioquia Gold Inc., a Company listed on the TSXV. Other than Felipe Ferraro and Ernesto Bendezu, no current directors of the Company are also directors of other reporting issuers (or the equivalent).

Orientation and Continuing Education

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company’s business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers.

The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company’s business.

Ethical Business Conduct

The Board has adopted a written Code of Conduct and Ethics, which is included in the Corporate Governance Manual. The Company’s Code of Conduct and Ethics clearly sets out the Company’s standard requirements for honest and ethical conduct of its management and employees pertaining to conflicts of interest, timely disclosure, compliance with the law and accountability. The Code of Conduct and Ethics also clearly states the Company’s requirements for fair dealing, and its corporate position on conflicts of interest and corporate opportunities and gifts, confidentiality and corporate assets, intellectual property, reporting and the effects of violations.

The Board has a number of procedures in place designed to ensure that directors exercise independent judgment in a matter where a director or officer has a material interest. In the limited circumstances where such an interest arises, the relevant director must declare his interest and refrain from voting, and the Compensation and Corporate Governance Committee considers the transaction in advance of its consideration by the Board.

Nomination of Directors

The Board's Compensation and Corporate Governance Committee periodically reviews the size of the Board and any possible requirement for an increase or decrease in members of the Board. It also recruits and reviews candidates for the position of director and selects the most appropriate for submission to the Board as a whole for consideration as a potential director nominee.

Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee's mandate and responsibilities relating to nomination of directors are detailed in the Compensation and Corporate Governance Committee Charter, and include:

- (a) to recommend to the Board the criteria for Board membership. In making its recommendation, the Committee considers the competencies and skills that the Board, as a whole, should possess and the competencies and skills of each current director. The Committee reviews with the Board, on an annual basis, the requisite skills and criteria for Board members as well as the composition and size of the Board as a whole in order to ensure that the Board has the requisite expertise, that its membership consists of persons with sufficiently diverse and independent backgrounds, and that its membership consists of an appropriate mix of inside, outside and independent directors;
- (b) to identify and recommend to the Board individuals qualified to become Board members, consistent with criteria approved by the Board. The Committee also recommends to the Board the nominees for election as directors at any meeting of shareholders and the persons to be appointed by the Board to fill any vacancies on the Board. The Committee may adopt procedures regarding director candidates proposed by the shareholders;
- (c) to recommend to the Board corporate governance and ethics principles and policies that are applicable to the Company. The Committee monitors legislation, regulatory policies and best industry practices dealing with corporate governance and, from time to time as it deems appropriate, reviews and reassesses the adequacy of the Company's corporate governance principles and practices and recommend any proposed changes to the Board;
- (d) to consider questions of independence and possible conflicts of interest of members of the Board and of senior managers and make recommendations regarding such matters to the Board, including the criteria for determining director independence;
- (e) to annually recommend assignments to committees of the Board, including recommendations as to chairmen of committees of the Board, review and make recommendations to the Board concerning the types, duties, functions, size and operation of committees of the Board, review the adequacy of all Board committees charters and make recommendations to the Board for any changes to such charters;
- (f) to annually oversee evaluation of the Board and its committees to determine whether the Board, its members and its committees are functioning effectively; and to determine the nature of evaluation, supervise the conduct of evaluation and prepare an assessment of performance of the Board and its committees, to be discussed with the Board;
- (g) to determine the appropriate compensation necessary to retain and motivate the directors and the president and CEO, and to advise the Board accordingly;
- (h) to manage Board and committee succession planning; and
- (i) to monitor communications with shareholders regarding matters of corporate governance.

Other Board Committees

The Board has no committees other than the Audit Committee and the Compensation and Corporate Governance Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and

management and the strategic direction and processes of the Board and its committees. This function is carried out by the Compensation and Corporate Governance Committee whose evaluations and assessments are used in connection with its duty of evaluating and recommending persons as nominees for the position of director of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

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

Compensation Discussion and Analysis

Compensation Governance

The Board has established a Compensation and Corporate Governance Committee, whose function, generally, is to assist the Board in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation programs, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation and Corporate Governance Committee guides it in this role. The Company’s Compensation and Corporate Governance Committee receives independent competitive market information on compensation levels for executives.

The current members of the Compensation and Corporate Governance Committee are Juan David Uribe and Ernesto Bendezu.

For a description of the direct experience that is relevant to their responsibilities in executive compensation, and the skills and experience that enable Messrs. Uribe and Bendezu to make decisions on the suitability of the Company’s compensation policies and practices, see “*Audit Committee – Relevant Education and Experience*” above.

The Compensation and Corporate Governance Committee’s mandate and responsibilities are detailed in the Compensation and Corporate Governance Committee Charter, and include:

- (a) recommending to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees. The Committee reviews director compensation at least annually;
- (b) an annual review of the Company’s base compensation structure and the Company’s incentive compensation, stock option and other equity-based compensation programs and recommendation of changes in or additions to such structure and plans to the Board as needed;
- (c) recommending to the Board the annual base compensation of the Company’s executive officers and senior managers (collectively the “Officers”);
- (d) recommending to the Board the range of increase or decrease in the annual base compensation for non- Officer personnel providing services to the Company;
- (e) recommending to the Board about annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers and non-Officer personnel providing services to the Company, and establish incentive compensation participation levels for Officers and non-officer personnel providing services to the Company under any such incentive compensation plan. In determining the incentive component of compensation, the Compensation and Corporate Governance Committee will consider the Company’s performance and relative shareholder return, the values of similar incentive at comparable companies and the awards given

in past years;

- (f) evaluating the performance of officers generally and in light of annual corporate goals and objectives under any incentive compensation plan and recommendation to the Board of incentive compensation payable to Officers under any such incentive compensation plan;
- (g) a periodic review with the Chairman and Chief Executive Officer of their assessments of corporate officers and senior managers and succession plans, and make recommendations to the Board regarding appointment of officers and senior managers;
- (h) overseeing the performance evaluation and incentive compensation of non-Officer personnel providing services to the Company; and
- (i) administration of the Company's stock option and other equity based compensation plans and determining the annual grants of stock options and other equity based compensation.

Philosophy and Objectives

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including to:

- (a) attract and retain qualified and effective executives;
- (b) assist in motivating the short and long-term performance of these executives; and
- (c) align their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, performance-based cash incentives and equity participation through the Share Option Plan.

Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Base salaries for executive officers are evaluated against the responsibilities inherent in the position held and each individual's experience and past performance, as well as by reference to the competitive marketplace for management talent at other mineral exploration companies of similar stage of development, market capitalization and size.

Performance-Based Cash Incentives

The Company's objective is to achieve certain strategic objectives and milestones. Although the Company currently does not have a formal performance-based cash incentive program in place, in the past the Board has approved executive bonus compensation when the Company has met its strategic objectives and milestones and when sufficient cash resources were available for the granting of bonuses, based on recommendations of the Compensation and Corporate Governance Committee.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Share Option Plan, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Share Option Plan is administered by the directors of the Company and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Compensation and Corporate Governance Committee proposes option grants to the Board based on such criteria as performance, previous grants, base salary, competitive factors and hiring incentives. All grants require approval of the Board. See "*Particulars of Other Matters to be Acted Upon – Continuation of Share Option Plan*" above for more information regarding the Share Option Plan.

Actions, Decisions or Policies Made After August 31, 2016

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management, so as to continue to address the objectives identified above. No actions, decisions or policies have been made since August 31, 2016 that could affect a reasonable person's understanding of NEO compensation for the financial year ended August 31, 2016.

Risk Assessment

Neither the Company nor the Compensation and Corporate Governance Committee has undertaken a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Compensation and Corporate Governance Committee when reviewing compensation policies and the Company and the Corporate Governance and Compensation Committee does not believe that the Company's compensation policies and practices result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

Hedging Policy

Although the Company has not adopted a policy disallowing NEOs and directors from purchasing financial instruments designed to hedge or offset a decrease in market value of Common Shares or any other securities of the Company granted as compensation or held, directly or indirectly, by an NEO or director, the Company is not aware of any NEOs or directors having purchased such financial instruments.

Summary Compensation Table

The following table sets out information concerning the compensation earned or awarded to the NEOs during the Company's three most recently completed financial years ended August 31:

Name and principal position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
FELIPE FERRARO ⁽³⁾⁽⁷⁾ President and CEO	2016	Nil	Nil	75,000	Nil	Nil	Nil	121,633 ⁽⁶⁾	196,633
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
DR. ROGER MOSS ⁽³⁾ Former President and CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	6,564	Nil	Nil	Nil	105,958	112,522
	2014	Nil	Nil	3,766	Nil	Nil	Nil	44,373 ⁽⁴⁾	48,139
RODGER RODEN ⁽⁵⁾ CFO	2016	Nil	Nil	25,000	Nil	Nil	Nil	52,500	77,500
	2015	Nil	Nil	Nil	Nil	Nil	Nil	17,500	17,500
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Financial years ended August 31.
- (2) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies.
- (3) Mr. Felipe Ferraro was appointed as President and CEO on October 15, 2015 replacing Dr. Moss, who was appointed as President and CEO on March 24, 2014. Dr. Moss resigned as CEO of the Company on October 15, 2015.
- (4) During the fiscal year ended August 31, 2014 the Company paid \$44,373 to Moss Exploration Services, a company owned by Dr. Moss, for his services as President and CEO of the Company.
- (5) Mr. Roden was appointed CFO on May 1, 2015 following the resignation of Mr. Torres on April 30, 2015.
- (6) Mr. Ferraro did not receive any compensation in his role as a director.

The fair value of the options in the above table is estimated using the Black-Scholes option pricing model, as is standard practice. However, option pricing models require the input of highly subjective assumptions, particularly

as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management’s view that the existing models may not provide a single reliable measure of the fair value of the Company’s stock option grants. The Company uses an option-pricing model because there is no market for which options may be freely traded and in any event the Company does not allow its employee options to be traded. Readers are cautioned not to assume that the value derived from the model is the value that an optionee might receive if the options were freely-traded, nor assume that these amounts are the same as those reported by the employee as income received for tax purposes. For financial statement purposes, the fair value of options is charged to the statement of operations rateably over the vesting period.

Incentive Plan Awards

For further information about the Share Option Plan, see “Securities Authorized Under Equity Compensation Plans” below and “Particulars of Other Matters to be Acted Upon – Continuation of Share Option Plan” above.

Outstanding Option-based and Share-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at August 31, 2016 for each NEO. This table includes awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Felipe Ferraro	250,000 1,500,000	0.125 0.200	May 30/17 Mar 14/21	7,500 Nil	Nil Nil	Nil Nil	Nil Nil
Dr. Roger Moss	250,000	0.125	May 30/17	7,500	Nil	Nil	Nil
Rodger Roden	500,000	0.200	Mar 14/21	Nil	Nil	Nil	Nil

Note:

- (1) The value of the unexercised “in-the-money options” at the financial year end is the difference between the option exercise price and the market value of the underlying stock on the TSXV. The market value is the closing price of the Common Shares on the TSXV on August 31, 2016 being the last day the Common Shares traded on the TSXV during the fiscal year ended August 31, 2016, which was \$0.155.

Incentive Plan Awards – Value Vested or Earned During the Year ended August 31, 2016

The following table sets out the value of option-based and share-based awards vested, and the value earned of non- equity incentive plan compensation, during the year ended August 31, 2016, for each NEO:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Felipe Ferraro	75,000	Nil	Nil
Dr. Roger Moss	Nil	Nil	Nil
Rodger Roden	25,000	Nil	Nil

Termination and Change of Control Benefits

As of the date hereof, the Company has no contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

Director Compensation

Directors are primarily compensated pursuant to the grant of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Director Compensation Table

The following table sets out the amounts of compensation provided to the directors, excluding a director for whom disclosure is made above in his capacity as an NEO, for the Company's most recently completed financial year ended August 31, 2016:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ernesto Bendezu	Nil	Nil	75,000	Nil	Nil	Nil	75,000
Juan David Uribe	Nil	Nil	75,000	Nil	Nil	Nil	75,000

Incentive Plan Awards

For further information about the Share Option Plan, see "Securities Authorized Under Equity Compensation Plans" below and "Particulars of Other Matters to be Acted Upon – Continuation of Share Option Plan" above.

Outstanding Option-based and Share-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at August 31, 2016 for each director, excluding a director for whom disclosure is made above in his capacity as an NEO. This table includes awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Ernesto Bendezu	1,500,000	0.200	Mar 14/21	Nil	Nil	Nil	Nil
Juan David Uribe	250,000 1,500,000	0.125 0.200	May30/17 Mar 14/21	7,500 Nil	Nil Nil	Nil Nil	Nil Nil

Note:

- (1) The value of the unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying stock on the TSXV. The market value is the closing price of the Common Shares on the TSXV on August 31, 2016 being the last day the Common Shares traded on the TSXV during the fiscal year ended August 31, 2016, which was \$0.155.

Incentive Plan Awards – Value Vested or Earned During the Year ended August 31, 2016

The following table sets out the value of option-based and share-based awards vested, and the value earned of non-equity incentive plan compensation, during the year ended August 31, 2016, for each director, excluding a director for whom disclosure is made above in his capacity as an NEO:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Ernesto Bendezu	75,000	N/A	N/A
Juan David Uribe	75,000	N/A	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the financial year ended August 31, 2016.

Equity Compensation Plan Information

Plan Category	Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Column (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) ⁽¹⁾
Equity compensation plans approved by security holders ⁽¹⁾	10,900,000	0.192	618,238 ⁽²⁾
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	10,900,000	0.192	618,238

Notes:

- (1) For a summary of the material features of the Share Option Plan, see “Particulars of Other Matters to be Acted Upon – Continuation of Share Option Plan” above.
- (2) A maximum of 10% of the Company’s issued and outstanding Common Shares at the time the Common Shares are reserved for issuance, less any Common Shares reserved for issuance under other share compensation arrangements, may be reserved for issuance under the Share Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officers or directors, or former executive officers or directors, nor any associate of such individuals, is as at the date hereof, or has been since the beginning of the financial year ended August 31, 2016, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, 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 or any of its subsidiaries.

An “informed person” means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, or controls or directs, directly or indirectly, voting shares of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which were to any substantial degree performed by a person or company other than the directors or executive officers of the Company during the most recently completed financial year.

ADDITIONAL INFORMATION

Financial information is provided in the audited consolidated financial statements of the Company for the year ended August 31, 2016 and in the related management discussion and analysis, which will be placed before shareholders at the Meeting. Additional information relating to the Company can be found on SEDAR at www.sedar.com. Copies of the Company's audited consolidated financial statements and management's discussion and analysis for the year ended August 31, 2016 will be available upon request from the Company's Chief Financial Officer at 2 Toronto St. Suite 230, Toronto Ontario, Canada, M5C2B5 telephone number (604) 568-6378. Copies of these documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

As of the date of this Information Circular, the Board is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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

DATED at Toronto, Canada the 6th day of February, 2017.

BY ORDER OF THE BOARD

"Felipe Ferraro"

Felipe Ferraro
President and Chief Executive Officer

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