

**CANDELARIA MINING CORP.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the 2016 annual general meeting (the “**Meeting**”) of shareholders of Candelaria Mining Corp. (the “**Company**”) will be held at Suite #1200 – 750 West Pender Street, Vancouver, British Columbia on:

**Monday, September 12, 2016**

at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the annual financial statements of the Company for the fiscal year ended April 30, 2016, together with the report of the auditors thereon;
2. to fix the number of directors at five;
3. to elect directors of the Company for the ensuing year;
4. to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants as auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to approve the Company’s stock option plan, as more particularly described in the accompanying management information circular (the “**Information Circular**”); and
6. to transact any other business which may properly come before the Meeting, or any adjournment thereof.

Accompanying this Notice is an Information Circular, a form of proxy (the “**Proxy**”) and a Financial Statement Request Form. The Information Circular provides additional information relating to the matters to be considered at the Meeting and forms part of this Notice.

The Board of Directors has fixed the close of business on August 8, 2016 as the record date for determining the shareholders who are entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. A shareholder entitled to vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his/her stead. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed Proxy in accordance with the instructions set out in the notes to the Proxy and any accompanying information from your intermediary.

DATED at Vancouver, British Columbia, this 8th day of August, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS**

“Sokhie Puar”  
President and Chief Executive Officer

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

## CANDELARIA MINING CORP.

### MANAGEMENT INFORMATION CIRCULAR as at August 8, 2016

This Information Circular is furnished in connection with the solicitation of proxies by management of Candelaria Mining Corp. for use at the annual general meeting of shareholders (the "Meeting") of Candelaria Mining Corp. to be held at 10:00 a.m. Vancouver Time on Monday, September 12, 2016 at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia V6C 2T8, and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of August 8, 2016.

In this Information Circular, references to the "Company", "we" and "our" refer to Candelaria Mining Corp. "Common Shares" means common shares without par value in the capital of the Company. "Registered Shareholders" means shareholders whose names appear on the records of the Company as the registered holders of Common Shares. "Non-Registered Shareholders" means shareholders who do not hold Common Shares in their own name. "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered 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 non-objecting beneficial owners of the Common Shares held of record by those intermediaries. We do not intend to pay for intermediaries to forward the meeting materials to objecting beneficial owners of Common Shares held of record by those intermediaries. Objecting beneficial owners will not receive meeting materials unless the objecting beneficial owner's intermediary assumes the cost of delivery of the meeting materials.

#### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the "Proxy") are officers of the Company. **If you are a Registered Shareholder, you have the right to vote by proxy and 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 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.**

Every Proxy may be revoked by an instrument in writing:

- (a) executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney, of the company; and
- (b) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the meeting or any adjournment of it, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

## **Voting by Proxyholder**

If you have the right to vote by proxy, 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:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) exercise of discretion of Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the meeting.

## **Voting by Registered Shareholders**

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., in accordance with the instructions on the Proxy.

In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. If completed Proxies are received after said deadline, they shall not be accepted for the purpose of voting at the Meeting unless authorized by the Chairman of the Meeting, in his sole discretion.

## **Voting by Non-Registered Shareholders**

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

If Common Shares are listed in an account statement provided to a shareholder by an Intermediary, 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 the shareholder's Intermediary. In the United States, the vast majority of such Common 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 Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Non-Registered Shareholder:***

You should carefully follow the instructions of your Intermediary in order to ensure that your Common Shares are voted at the Meeting.

The voting instruction form supplied to you by your Intermediary will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to

vote on your behalf. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form 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 Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or person designated by you, may attend at the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for you Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors and as set out herein. For the purpose of this paragraph, “Person” shall include each person: (a) who has been a director or senior officer of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on August 8, 2016 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at the Meeting consists of, subject to the special rights and restrictions attached to the share of any class or series of shares, one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to its articles, present in person or by proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On the Record Date of August 8, 2016, there were 219,287,749 Common Shares issued and outstanding, each share carrying the right to one vote. Only shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, only the following shareholders beneficially own, or control or direct, directly or indirectly Common Shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Company entitled to vote at the Meeting:

<b>Name</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed (directly or indirectly)<sup>(1)</sup></b>	<b>Percentage of Issued and Outstanding Common Shares as of the date hereof<sup>(1)</sup></b>
Javier Reyes	30,540,000 <sup>(2)</sup>	13.93%
Alberto Emiliano Cinta Martinez	28,166,666	12.84%
Javier Montaña	28,400,000 <sup>(3)</sup>	12.95%

Notes:

- (1) The information as to the number and percentage of Common Shares beneficially owned, directly or indirectly, or controlled or directed, has been obtained from the System for Electronic Disclosure by Insiders and Early Warning Reports filed by insiders as of the date of this Management Information Circular.
- (2) Included in Mr. Reyes' share position are 27,700,000 common shares owned by Credipresto SA de CV SOFOM and 2,840,000 common shares owned by Antares Capital fund, Ltd., of which Mr. Reyes is the controlling shareholder.
- (3) Included in Mr. Montaña's share position are 28,400,000 common shares owned by C-UNO S.A. DE C.V., of which Mr. Montaña is the controlling shareholder.

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

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

### **1. Presentation of Financial Statements**

The audited annual financial statements of the Company for the financial year ended April 30, 2016 and the auditor's report thereon will be placed before the Meeting.

### **2. Election of Directors**

The Company proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of shares of the Company which each beneficially owns or over which control or direction is exercised.

<b>Name, Residence and Present Position within the Company</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised</b>	<b>Principal Occupation<sup>(1)</sup></b>
<b>Sokhie Puar</b> British Columbia, Canada <i>President, CEO, Corporate Secretary and Director</i>	January 23, 2012	450,000 <sup>(3)</sup>	Founder and President of SNJ Capital Ltd., which provides management consulting services, since 2000.
<b>Javier Reyes<sup>(2)</sup></b> Mexico City, Mexico <i>Director</i>	March 17, 2016	30,540,000 <sup>(4)</sup>	President of Credipresto, S.A. de C.V. ENR and Director and Manager of Antares Capital Management Ltd.

<b>Ramon Perez</b> <sup>(2)</sup> Florida, USA <i>Chief Financial Officer, Chief Operating Officer and Director</i>	March 17, 2016	20,250,000 <sup>(5)</sup>	Vice President of Carrelton Asset Management and Analyst at Citigroup.
<b>Manuel Gomez</b> <sup>(2)</sup> Baden, Switzerland <i>Director</i>	March 17, 2016	14,500,000 <sup>(6)</sup>	Managing Director at Horizon Asset, Portfolio Manager at GIMA Asset Management and Sales Consultant at Clariden Bank.
<b>Javier Montaña</b> Sinaloa, Mexico <i>Proposed Director</i>	N/A	28,400,000 <sup>(7)</sup>	Chief Executive Officer of C-UNO S.A. DE C.V.

(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.

(2) Denotes a member of the Audit Committee of the Company.

(3) Included in Mr. Puar's share position are 500,000 common shares owned by SNJ Capital Ltd., of which Mr. Puar is the controlling shareholder.

(4) Included in Mr. Reyes' share position are 27,700,000 common shares owned by Credipresto SA de CV SOFOM and 2,840,000 common shares owned by Antares Capital fund, Ltd., of which Mr. Reyes is the controlling shareholder.

(5) Included in Mr. Perez's share position are 6,500,000 common shares owned by Aptus Resources LLC and 13,000,000 common shares owned by Accendo Capital Group, Inc., of which Mr. Perez is the controlling shareholder.

(6) 8,000,000 common shares are owned by Horizon Art Merchands AG, of which Mr. Gomez is a controlling shareholder.

(7) Included in Mr. Montaña's share position are 28,400,000 common shares owned by C-UNO S.A. DE C.V., of which Mr. Montaña is the controlling shareholder.

No proposed director of the Company is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any company that while that person was acting in that capacity

- (a) was the subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was 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 an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days;
- (c) 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
- (d) has individually, within the 10 years prior to 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 director, officer or shareholder.

### 3. Appointment of Auditors

Management is recommending that shareholders vote to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, of 1700 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, as auditors for the Company and to authorize the directors to fix their remuneration. Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants were first appointed as auditors for the Company on April 30, 2012.

#### 4. Approval of Stock Option Plan

At the Meeting, Shareholders of the Company will be asked to approve the continuation of the Company's 2012 Stock Option Plan (the "**Plan**"). The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. A full copy of the Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the Meeting on written request.

Eligible Participants. Incentive stock options ("**Options**") may be granted under the Plan to directors, senior officers or management company employees of the Company or its subsidiaries (collectively, the "**Directors**"), employees of the Company or its subsidiaries (collectively, the "**Employees**") or consultants of the Company or its subsidiaries (collectively, the "**Consultants**"). The Board of the Company, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares as at the closing date of the Company's initial public offering ("**IPO**") until the completion of the Company's Qualifying Transaction, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual, and thereafter will be a maximum of 10% of the issued and outstanding Common Shares at the date of granting the Option (including all Options granted by the Company under the Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

No Option may be exercised before the completion of Company's Qualifying Transaction unless the Optionee agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final Exchange Bulletin.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Plan is determined by the Board and may not exceed five years from the date of grant.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the greater of the Company's IPO price and the discounted market price, and after the completion of the Company's Qualifying Transaction not less than the discounted market price, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:

- (i) such date as fixed by the Board, provided that the date is no more than one year from the date on which the holder ceases to be eligible to hold the Option (the "**Cessation Date**");
- (ii) the end of the term of the Option;
- (iii) If the Optionee received his or her option as Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction and such Optionee ceases to be a Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction, other than by reason of death, then the Expiry Date of the option will be 90 days after the date the Optionee ceases to be a Director, Employee or Consultant of the Company. If the Optionee received his or her option as Director, Employee or Consultant of the Company prior to Completion of the Qualifying Transaction and such Optionee ceases to be a Director of

the Company concurrently with Completion of the Qualifying Transaction, other than by reason of death, then the Expiry Date of the option will be the later of: (a) 12 months after the Completion of the Qualifying Transaction; and (b) 90 days after the date the Optionee ceases to be a Director of the Company. If the Optionee received his or her option as Director of the Company on or after the Completion of the Qualifying Transaction and such Optionee ceases to be a Director of the Company, other than by reason of death, then the Expiry Date of the option will be 180 days after the date the Optionee ceases to be a Director of the Company.

- (iv) 180 days after the date of the Optionee ceasing to act as an employee engaged in investor relations activities, other than by reason of death; or
- (v) one year from the date of death, if the Cessation Date is as a result of death.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

**“BE IT RESOLVED THAT:**

- (a) the Company’s 2012 Stock Option Plan be ratified, confirmed and approved, that in connection therewith a maximum of 10% of the issued and outstanding Common Shares as at the closing date of the Company’s initial public offering until the completion of the Company’s Qualifying Transaction, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual, and thereafter a maximum of 10% of the issued and outstanding Common Shares at the time of each grant be approved for granting as options; and
- (b) any one director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8, until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

**OTHER BUSINESS**

As of the date of this circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the Proxy.

**EXECUTIVE COMPENSATION**

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEO’s**”):

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

As at April 30, 2016, the end of the most recently completed financial year of the Company, the Company had two (2) NEO, whose name and positions held within the Company are set out in the summary compensation table below. The Company's NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Summary Compensation Table

The following table is a summary of compensation (excluding compensation securities) paid to the NEOS and directors for each of the Company's two most recently completed financial years. For information concerning compensation related to previous years, please refer to the Company's previous Information Circulars available at [www.sedar.com](http://www.sedar.com).

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Sokhie Puar</b> President, CEO, Corporate Secretary and Director	2016	48,000	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ramon Perez</b> CFO and COO, Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Manuel Gomez</b> Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Javier Reyes</b> Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Clive Brookes</b> Former CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Hewelett</b> Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sean O'Neil</b> Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Option Plans and Other Compensation Securities

The Company has not granted any share-based awards to the directors and NEOs. No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

The following table contains information on options granted by the Company to directors and NEO's during the most recently completed financial year and the outstanding options of the Company held by the directors and NEO's as at the end of the most recently completed financial year.

<b>Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry Date</b>
<b>Sokhie Puar</b> President, CEO, Corporate Secretary and Director	Options	172,000 700,000	Nov. 8, 2012 Mar. 17, 2016	\$0.10 \$0.05	\$0.13 \$0.05	\$0.15 \$0.15	Nov. 8, 2017 Mar. 17, 2021
<b>Ramon Perez</b> Director	Options	500,000	Mar. 17, 2016	\$0.05	\$0.05	\$0.15	Mar. 17, 2021
<b>Javier Reyes</b> Director	Options	500,000	Mar. 17, 2016	\$0.05	\$0.05	\$0.15	Mar. 17, 2021
<b>Manuel Gomez</b> Director	Options	500,000	Mar. 17, 2016	\$0.05	\$0.05	\$0.15	Mar. 17, 2021
<b>Hector Gonzalez</b> Officer	Options	250,000	Mar. 17, 2016	\$0.05	\$0.05	\$0.15	Mar. 17, 2021

### **Stock Options and Other Incentive Plans**

The Company has no Incentive Plan in place and therefore there were no awards made under any incentive plan to the NEO's during the Company's most recently completed financial year. An "Incentive Plan" is a plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

### **Employment, Consulting and Management Agreements**

The Company does not have any contracts, agreements, plans or arrangements that provides 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.

### **Oversight and Description of Director and Named Executive Officer Compensation**

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

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

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fee or salary. Second, the Board awards executive officers long-term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide medical, dental, pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the

stock option grants to be made pursuant to the Company's Stock Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Given the Company's size and the amounts awarded as executive compensation, the Board has determined that it is not necessary to consider the implications of the risks associated with the Company's compensation policies and practices.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSX Venture Exchange.

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

The following table sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuances under equity compensation plan
Equity compensation plans approved by security holders (Stock Option Plan)	9,452,875	\$0.057	5,512,875
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	9,452,875	\$0.057	5,512,875

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

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

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

Except as disclosed herein or above, since the commencement of the Company's most recent financial year, no informed person (a director, officer or holder of 10% or more common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction, directly or indirectly, which has materially affected or would materially affect the Company or any of its subsidiaries. See "Executive Compensation" and "Directors Compensation"

### **MANAGEMENT CONTRACTS**

Management functions of the Company are not to any substantial degree performed by anyone other than the directors or executive officers of the Company.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day-to-day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issues such as the corporation. In addition, the CSA have implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Board currently consists of four directors, Sokhie Puar, Javier Reyes, Ramon Perez and Manuel Gomez. It is proposed that five directors, Sokhie Puar, Javier Reyes, Ramon Perez, Manuel Gomez and Javier Montaña, be nominated at the Meeting.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Of the proposed nominees, three directors, Javier Reyes, Manuel Gomez and Javier Montaña are considered independent. Of the proposed nominees, two directors, Sokhie Puar, President, Chief Executive Officer and Corporate Secretary of the Company and Ramon Perez, Chief Financial Officer and Chief Operating Officer, are considered not independent.

### Other Directorships

The following table sets forth the current and proposed directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
Sokhie Puar	ASB Capital Inc. Goldrea Resources Corp.
Ramon Perez	ASB Capital Inc.
Javier Reyes	Goldgroup Mining Inc. Organto Foods Inc.
Manuel Gomez	N/A
Javier Montaña (proposed director)	Goldgroup Mining Inc. Organto Foods

### Orientation and Continuing Education

Orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company’s documents.

The Company has not adopted formal policies respecting continuing education for Board members. The Company encourages directors to undertake continuing education the costs of which are borne by the Company.

### Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company’s governing legislation and common law

together with corporate statutory restrictions on an individual director's participation in Board decisions in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **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 general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

### **Compensation**

The Board has not established a formal compensation committee. Rather the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company's executives and key employees. The independent Board members evaluate the performance of the CEO and other senior management measured against the Company's business goals and industry compensation levels.

### **Board Committees**

The Board has no committees other than the audit committee.

### **Assessments**

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board believes that such assessments are more appropriate for companies of a larger size and complexity which may have significantly larger boards of directors. Where appropriate the chair of the Board meets with individual directors to discuss their contribution and that of the other directors. Arising from such meetings, if appropriate, the Board considers procedural and substantive changes to increase the effectiveness of the Board, its committees and members.

## **AUDIT COMMITTEE**

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

### **Audit Committee Disclosure**

Pursuant to the Section 224(1) of the British Columbia Business Corporations Act and NI 52-110 the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually its information circular certain information concerning the make up of its audit committee and its relationship with its independent auditor.

The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the audit committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Company's Board. The audit committee is also mandated to review and approve all material related party transactions.

## **Composition of the Audit Committee**

The audit committee is comprised of the following members: Ramon Perez, Javier Reyes and Manuel Gomez. All of the audit committee members are considered to be financially literate as defined by NI 52-110 in that they have 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 presumably be expected to be raised by the Company's financial statements.

An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the audit committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the audit committee designate a chair by a majority vote of the full audit committee membership.

## **Relevant Education and Experience**

*Ramon Perez* - Mr. Perez is currently a Vice President at Carrelton Asset Management Inc., a natural resource focused asset manager. Mr. Perez oversees and manages multiple assets in multiple companies in the mining sector. Prior to joining Carrelton, Mr. Perez was a Senior Analyst at Salomon Smith Barney Asset Management. Mr. Perez has an MBA from the University of Miami.

*Javier Reyes* - Mr. Javier Reyes began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the Founder, President and CEO of the Antares Capital Management and Cygnus Asset Management, and manages three hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes has also held the following positions: CEO of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997). Mr. Reyes holds a Bachelor's Degree in Economics and Business Administration and also holds a Masters in Finance.

*Manuel Gomez* - Mr. Manuel Gomez holds a Bachelor of Accounting degree from Instituto Tecnológico y de Estudios Superiores de Monterrey, and an MBA from City University in Zurich. Mr. Gomez received his CFA in 1993. Mr. Gomez worked as a Fund manager at UBS where he was responsible for a US\$500 million fund investing in Spain and Portugal. He was a Senior Vice President at the Credit Suisse Group and in 2008 founded Horizon Asset Management where he acts as CEO. Mr. Gomez has been involved in mining and alternative investments sectors since 2008.

## **The Audit Committee's Charter**

The Company has adopted a Charter of the audit committee of the Board a copy of which is attached hereto as Schedule "A".

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

## **Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the

requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the audit committee, on a case-by-case basis.

### **External Auditor Service Fees**

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

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
April 30, 2016 <sup>(1)</sup>	\$15,000	Nil	Nil	Nil
April 30, 2015	\$7,650	Nil	Nil	Nil

<sup>(1)</sup> The fees that will be paid by the Company to its auditor for the fiscal year ended April 30, 2016 is based on an estimated figure.

### **Exemption**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year will be available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by (i) mail to 15444 Royal Ave, White Rock, BC V4B 1N1; or (ii) telephone to: 604-408-1990.

## **DIRECTORS’ APPROVAL**

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 8<sup>th</sup> day of August, 2016.

### **BY ORDER OF THE BOARD OF DIRECTORS**

“Sokhie Puar”

Sokhie Puar  
President and Chief Executive Officer

## Schedule "A"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

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#### 1. PURPOSE

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The Audit Committee (the "Committee") of **Candelaria Mining Corp.** ("the Company") is a committee of the Board of Directors with the responsibility under the governing legislation of the Company to review the financial statements, accounting policies and reporting procedures of the Company.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any governmental body or the public, the systems of internal controls of the Company regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of the Company generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of the Company.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of the Company.
- Monitor the independence and performance of the auditor of the Company (the "Auditor") and the internal audit function of the Company.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

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#### 2. COMPOSITION

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- The Committee shall be comprised of three or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of the Company are listed.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a "*financial expert*" in accordance with applicable laws and all requirements of the stock exchanges on which shares of the Company are listed.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

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### **3. MEETINGS**

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- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately. In addition, the Committee shall meet with the Auditor and management at least quarterly to review the financial statements of the Company.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board of Directors.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.
- Subject to the provisions of the governing legislation of the Company and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

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### **4. RESPONSIBILITIES AND DUTIES**

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To fulfill its responsibilities and duties the Committee shall:

#### **Documents/Reports Review**

- Review and recommend for approval to the Board of Directors of the Company any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.
- Review the interim un-audited quarterly financial statements and the annual audited financial statements, MD&A and the related press releases of the Company and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the un-audited quarterly financial statements and annual audited financial statements of the Company are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of the Company, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- Review any reports or other financial information of the Company submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of the Company.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of the Company and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of the Company with the officers and auditors of the Company and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of the Company and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

### **Independent Auditor**

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of the Company upon shareholder approval of the appointment, including the resolution of disagreements between management and the external auditor regarding financial reporting, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to the Company. In this regard, the Committee shall, among other things, receive all reports from the Auditor of the Company, including timely reports of:
  1. all critical accounting policies and practices to be used;
  2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of the Company; and
  3. other material written communications between the Auditor and the management of the Company, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "*independent*" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and the Company, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.

- Satisfy itself, on behalf of the Board of Directors, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "*unresolved differences*" with the Auditor.

### **Financial Reporting Process and Risk Management**

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of the Company to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of the Company.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of the Company and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that the Company has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of the Company and other "*risk management*" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of the Company, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of the Company and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by the Company regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of the Company as to concerns regarding questionable accounting or auditing.

### **Legal and Regulatory Compliance**

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of the Company, any legal matter that could have a significant impact on the financial statements of the Company.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

### **Budgets**

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

### **General**

- Perform any other activities consistent with this Charter, the Articles of the Company and governing law, as the Committee or the Board of Directors deem necessary or appropriate.