

MARIFIL MINES LIMITED
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Vancouver, BC V6G 2Z6
Telephone: (604) 365-0425

INFORMATION CIRCULAR
(Containing Information as at October 26, 2017)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management (the "Management") of Marifil Mines Limited (the "Company"), for use at the Annual General and Special (the "Meeting") of the shareholders (the "Shareholders") of the Company, to be held on Thursday, the 30th day of November, 2017, at the time and place and for the purposes set forth in the accompanying Notice of Annual General and Special Meeting and at any adjournment thereof. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY (THE "INSTRUMENT OF PROXY"). TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA ("COMPUTERSHARE"), 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Instrument of Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited by hand or mail at the Company's registrar and transfer agent, Computershare, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, 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 Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED

UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a "**Special Resolution**", in which case a majority of not less than two thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who have an interest in the proposed resolution will be excluded from the count of votes cast on such motion.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. 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 name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs.

This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (VIF) from our Transfer Agent, Computershare Trust Company of Canada ("**Computershare**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. 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.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented

at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the 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 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. In this event, 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.

In accordance with the provisions of National Instrument 54-101, the Company has elected not to pay for mailing to OBO's. As a result, OBO's will only receive paper copies of proxy-related materials if the OBO's intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Company is not relying on the "notice-and-access" delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value, each share carrying the right to one vote, of which 26,441,736 Common Shares are issued and outstanding as at October 25, 2017 (the "**Record Date**") and an unlimited number of Preferred Shares of which none are outstanding as at the Record Date. The Company has no other classes of securities.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

Subsequent to the Company's fiscal year ended December 31, 2016, the Company completed a share consolidation on the basis of one post-consolidation common share for every five pre-consolidation common shares on May 12, 2017. Unless otherwise stated, all numbers in this Information Circular reflect post-consolidation share amounts.

To the knowledge of the directors and senior officers of the Company, as of the Record Date, no person holds, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company.

EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, the Company had four (4) "Named Executive Officers" during the financial year ended December 31, 2016, namely John Hite, Alex McAulay, Richard (Dick) Walters and Roger Foster.

Definitions: For the purpose of this Information Circular:

"CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"grant date" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan;

"NEO" or "named executive officer" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"NI 52-107" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"non-equity incentive plan" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"option-based award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

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

"replacement grant" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"repricing" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"share-based award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

COMPENSATION DISCUSSION AND ANALYSIS

Each executive officer receives a base salary, which constitutes the largest share of the officer's compensation package. Base salary is recognition for discharging job responsibilities and reflects the officer's performance over time, as well as that individual's particular experience and qualifications. An officer's base salary is reviewed by the Board of Directors on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. Officers are also eligible to receive discretionary bonuses as determined by the Board of Directors based on each officer's responsibilities, his achievement of corporate objectives and the Company's financial performance.

In addition, officers are eligible under the Company's Stock Option Plan (the "Plan") to receive grants of stock options. The Plan is an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be key to its long-term success.

There are no employment contracts in place for the officers of the Company.

The following table sets out certain information respecting the compensation paid to the NEO's during the three most recently completed financial year(s) in which they were acting in the capacity of a NEO.

SUMMARY COMPENSATION TABLE

NEO Name And Principal Position	Financial Year ended December 31	Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incentive plans	Long-term incentive plans			
John Hite President, CEO and a director	2016	38,955	Nil	Nil	Nil	Nil	Nil	Nil	38,955
	2015	Nil	Nil	11,063 ⁽³⁾	Nil	Nil	Nil	Nil	11,063
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex McAulay ⁽¹⁾ CFO	2016	24,000	Nil	Nil	Nil	Nil	Nil	Nil	24,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard (Dick) Walters Executive VP	2016	35,059	Nil	Nil	Nil	Nil	Nil	Nil	35,059
	2015	Nil	Nil	11,063 ⁽³⁾	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roger Foster ⁽²⁾ Former CFO	2016	51,000	Nil	Nil	Nil	Nil	Nil	Nil	51,000
	2015	72,000	Nil	5,532 ⁽³⁾	Nil	Nil	Nil	Nil	77,532
	2014	72,000	Nil	Nil	Nil	Nil	Nil	Nil	72,000

Notes:

(1) Alex McAulay was appointed the Chief Financial Officer of the Company on August 30, 2016.

(2) Roger Foster served as the Chief Financial Officer of the Company from May 26, 2012 to August 30, 2016.

- (3) On June 29, 2015, the Company granted stock options to each of John Hite, Richard (Dick) Walters and Roger Foster entitling them to purchase 600,000 pre-consolidation shares, 600,000 pre-consolidation shares and 300,000 pre-consolidation shares respectively, at a price of \$0.05 each for a period of 5 years. This amount represents the estimated fair value of the options using the Black-Scholes fair value method for stock-based compensation assuming a risk free interest rate of 0.98%, the expected life of 5 years, expected volatility of 393%, forfeiture rate of 0%, and expected dividends of \$nil. Due to his resignation, Mr. Foster's stock option subsequently expired on November 29, 2016.

OPTION BASED AWARDS

COMMON SHARE PURCHASE PLAN

The Company has in effect the Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity compensation plans other than the Stock Option Plan.

The Company is seeking the approval of the Shareholders at the Meeting to re-approve and the Stock Option Plan. The significant terms of the Company's Stock Option Plan are set out below under the heading "Particulars of Other Matters to be Acted Upon – Confirmation of Rolling Stock Option Plan".

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at December 31, 2016:

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of securities underlying unexercised options ⁽²⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Value of unexercised in-the-money-options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
John Hite	120,000 10,000 55,000	\$ 0.25 \$ 0.50 \$ 1.00	06/29/2020 04/05/2020 06/04/2017	Nil ⁽³⁾ Nil ⁽³⁾ Nil ⁽³⁾	N/A	N/A	N/A
Alex McAulay	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Richard (Dick) Walters	120,000 55,000	\$ 0.25 \$ 1.00	06/29/2020 06/04/2017	Nil ⁽³⁾ Nil ⁽³⁾	N/A	N/A	N/A
Roger Foster	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The Company has not granted any share-based awards.
- (2) The Company completed a share consolidation on the basis of one post-consolidation common share for every five pre-consolidation common shares on May 12, 2017. All figures reflect the post-share consolidation amounts.
- (3) This option is not "in the money" as the closing market price of the common shares of the Company on the TSX Venture Exchange on December 30, 2016 \$0.015 (\$0.075 per post-consolidated common share) is lower than the stock option exercise price.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2016 in respect of incentive awards to the Named Executive Officers:

Name	Option-based awards– Value vested during the year (\$)	Share-based awards– Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
John Hite	Nil ⁽²⁾	Nil	Nil
Alex McAulay	Nil ⁽²⁾	Nil	Nil
Richard (Dick) Walters	Nil ⁽²⁾	Nil	Nil
Roger Foster	Nil ⁽²⁾	Nil	Nil

Notes:

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

TERMINATION AND CHANGE OF CONTROL BENEFITS

During the year ended December 31, 2016, the Company did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

DIRECTOR COMPENSATION

The only arrangement under which directors are compensated by the Company and its subsidiaries for their services in their capacity as directors is that each director is paid a fee of USD\$2,500 per three month period. In addition, directors are eligible under the Company's Stock Option Plan to receive grants of stock options, at the discretion of the entire Board of Directors and the Compensation Committee.

DIRECTOR COMPENSATION TABLE

The following table sets forth particulars of all compensation paid to directors who were not named executive officers during the year ended December 31, 2016:

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Greg Burnett	13,256	Nil	Nil	Nil	Nil	Nil	13,256
John W. Pearson	13,256	Nil	Nil	Nil	Nil	Nil	13,256
Daniel Buffone	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Sweatman	13,256	Nil	Nil	Nil	Nil	Nil	13,256

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Directors and which were outstanding at December 31, 2016:

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of securities underlying unexercised options ⁽²⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Value of unexercised in-the-money-options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Greg Burnett	70,000	\$ 0.25	06/29/2020	Nil ⁽²⁾	N/A	N/A	N/A
	50,000	\$ 0.50	04/05/2020	Nil ⁽²⁾			
	30,000	\$ 1.00	06/04/2017	Nil ⁽²⁾			
John W. Pearson	70,000	\$ 0.25	06/29/2020	Nil ⁽²⁾	N/A	N/A	N/A
	50,000	\$ 0.50	04/05/2020	Nil ⁽²⁾			
	30,000	\$ 1.00	06/04/2017	Nil ⁽²⁾			
Daniel Buffone	120,000	\$ 0.25	06/29/2020	Nil ⁽²⁾	N/A	N/A	N/A
	10,000	\$ 0.50	04/05/2020	Nil ⁽²⁾			
	40,000	\$ 1.00	06/04/2017	Nil ⁽²⁾			
Michael Sweatman	120,000	\$ 0.25	06/29/2020	Nil ⁽²⁾	N/A	N/A	N/A

Notes:

- (1) The Company has not granted any share-based awards.
- (2) The Company completed a share consolidation on the basis of one post-consolidation common share for every five pre-consolidation common shares on May 12, 2017. All figures reflect the post-share consolidation amounts.
- (3) This option is not "in the money" as the closing market price of the common shares of the Company on the TSX Venture Exchange on December 30, 2016 \$0.015 (\$0.075 per post-consolidated common share) is lower than the stock option exercise price..

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2016 in respect of incentive awards to the Directors:

Name	Option-based awards–Value vested during the year (\$)	Share-based awards–Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
Greg Burnett	Nil	Nil	Nil
John W. Pearson	Nil	Nil	Nil
Daniel Buffone	Nil	Nil	Nil
Michael Sweatman	Nil	Nil	Nil

Note:

- (1) The Company has not granted any share-based awards.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2016:

EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽¹⁾
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders ⁽²⁾	1,242,000	\$ 0.45	1,196,173
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	1,242,000		1,196,173

Notes:

- (1) *The Company subsequently completed a share consolidation on the basis of one post-consolidation common share for every five pre-consolidation common shares on May 12, 2017. These figures reflect the post-share consolidation amounts.*
- (2) *Represents the Stock Option Plan of the Company. As at December 31, 2016, the Stock Option Plan reserved shares equal to a maximum of 10% of the issued and outstanding common shares of the Company from time to time for issue pursuant to the Stock Option Plan.*

For further information on the Company's equity compensation plans, refer to the heading "Particulars of Other Matters to be Acted Upon – Confirmation of Rolling Stock Option Plan."

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at December 31, 2016, or is currently indebted to the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Since January 1, 2016, no

- (a) person who has been a director, senior officer or insider of the Company since January 1, 2016;
- (b) proposed nominee for election as a director of the Company; and
- (c) associate or affiliate of any of the foregoing persons

has any material interest, direct or indirect, in any matter to be acted upon (other than the election of directors or the appointment of auditors) except as set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2016, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the period ended December 31, 2016 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. Copies of the Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, Notice of Annual General and Special Meeting, Information Circular and Proxy will be available on the SEDAR website at www.sedar.com and the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1.

ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at seven (7). Although Management is nominating seven (7) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his successor is duly elected, if his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Advance Notice Provisions

At the June 5, 2014 annual general and special meeting, the Company's shareholders voted to adopt amendments to the Company's Articles to include advance notice provisions (the "**Advance Notice Provisions**"). The Advance Notice Provisions include, among other things, a provision that requires advance notice be given to the Company in circumstances where nomination of persons for election to the Board are made by Shareholders of the Company. The Advance Notice Provisions set a deadline by which shareholders must submit nominations (a "**Notice**") for the election of directors to the Company prior to any annual or special meeting of shareholders. The Advance Notice Provisions also set forth the information that a shareholder must include in the Notice to the Company, and establish the form in which the shareholder must submit the Notice for that notice to be in proper written form.

In the case of an annual meeting of shareholders, a Notice must be provided to the Company not less than 30 days and not more than 65 days prior to the date of the annual meeting.

As of the date of this information circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a Director of the Company, the

respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The three nominees are all currently Directors of the Company.

Name, Province and Country of Ordinary Residence and Positions held with the Company	Date First Became a Director	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly⁽¹⁾
John Hite Nevada, USA President, CEO, Secretary and a Director	December 2, 2003	Self-employed as a Geologic Consultant since October 2002	2,033,016
Greg Burnett British Columbia, Canada Director	February 10, 2004	President of Carob Management (consulting company) since 1988	1,008,000
Richard (Dick) Walters Washington State, USA Executive Vice-President and a Director	February 10, 2004	Self-employed Geologist since March 2000	1,041,764
John W. Pearson Ontario, Canada Director	September 29, 2004	Vice-President Investor Relations of Centerra Gold Inc. since September 2006; Investor Relations representative, Stillwater Mining Company (resource company) since February 2001	171,000
Michael Sweatmen British Columbia, Canada Director	April 9, 2015	Chartered Accountant; Principal of MDS Management Ltd., a management consulting company	245,000
Daniel Buffone Argentina, South America Director	March 17, 2005	President of Marifil S.A.	527,426
Rob Abenante British Columbia, Canada Nominee	N/A	President and Chief Executive Officer of Abattis Bioceuticals Corp. since April 7, 2017; Director of Abattis Bioceuticals Corp. since May 29, 2017; President of Emerald Power Consulting since 2010; Former Chairman, President, Chief Executive Officer and a director of Mediterranean Resources Ltd. from May 23, 2014 to October 28, 2015	200,000

Note:

(1) *Information as to shareholdings has been provided by the directors.*

The Company does not currently have an Executive Committee of its Board of Directors. The members of the Audit Committee are Greg Burnett, John W. Pearson and Michael Sweatman. The members of the Compensation Committee are John W. Pearson, Greg Burnett and Michael Sweatman.

Other than as disclosed below, no proposed director (including any personal holding company of a proposed director):

- (a) is as at the date of the 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 the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person 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 such person 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 a director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the 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;
- (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; or
- (d) has been subject to:
 - (i) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Trading in the securities of Glenthorne Enterprises Inc. ("**Glenthorne**") was halted on April 15, 2009 by the TSX Venture Exchange pending clarification of Glenthorne's financial affairs. The securities resumed trading on May 28, 2009. Mr. Sweatman was at the time a director of Glenthorne.

Mr. Sweatman was a director of Mega Precious Metals Inc. ("**Mega**") from June 1998 to June 2015. In October 2002, trading in the common shares of Mega (then named Treat Systems Inc. ("**Treat**") was halted by the TSX Venture Exchange (the "**TSX-V**") for failure to meet the tier maintenance requirements under the policies of the TSX-V and for having been designated as an inactive issuer for a period in excess of 18 months. In August 2003, the common shares were listed for trading on the NEX board of the TSX-V. In January 2008, Treat completed a "change of business" pursuant to the policies of the TSX-V. Treat's name was changed to Mega Silver Inc. and the common shares resulted trading on the TSX-V on January 31, 2008.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

AUDIT COMMITTEE DISCLOSURE

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

APPOINTMENT AND REMUNERATION OF AUDITORS

Management recommends the re-appointment of Manning Elliott LLP, Chartered Accountants, of 11th floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7 as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board of Directors, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. *Executive Consulting Agreement with 1053345 B.C. Ltd.*

Shareholders will be asked to pass an ordinary resolution approving the October 6, 2017 Executive Consulting Agreement (the "**Consulting Agreement**") between the Company and 1053345 B.C. Ltd. (the "**Consultant**") pursuant to which 1053345 B.C. Ltd. will provide the services of Robert Abenante, a proposed nominee to the Board of directors of the Company, to act as the President and Chief Executive Officer of the Company and provide advice and recommendations regarding the Company's overall business strategy and future direction. Shareholders will also be asked to approve the compensation payable thereunder, namely:

- (a) **Consulting Fee:** \$120,000 per annum plus applicable GST (the "**Base Consulting Fee**"). The Base Consulting Fee shall be accrued and shall be payable as follows: (i) commencing upon closing of an equity financing of not less than \$500,000, the Base Consulting Fee shall be paid as to \$5,000 plus GST in cash on the end of each month, and the remainder of the Base Consulting Fee shall be accrued; and (ii) once the Company's working capital exceeds \$2,000,000, the Consultant has the option of receiving the unpaid and accrued Base Consulting Fee in an immediate cash payment and the future monthly installments of the Base Consulting Fee in cash each month, payable by the Company to the Consultant by way of a company cheque, certified cheque or bank transfer, and the remainder shall be accrued;
- (b) **Bonus:** Signing bonus of \$100,000 (the "**Bonus**") payable within 5 days after the closing of an equity financing of not less than \$850,000;
- (c) **Performance Shares:** Upon the Company obtaining disinterested shareholder approval and subject to the approval of the TSX Venture Exchange, up to a maximum of 2,000,000 common shares of the Company (the "**Performance Shares**") shall be issued to Mr. Abenante, and held in escrow. The shares shall be released from escrow upon achievement of the following milestones

Description of Milestone	Amount of Milestone Bonus
Performance Shares	2,000,000 common shares to be held in escrow

Description of Milestone	Amount of Milestone Bonus
San Roque JV or Development Program	On Board and TSXV approved deal for San Roque, the following common shares are to be released: - A JV agreement with a third party – 250,000 common shares - A funded drill campaign of at least \$500,000 – 250,000 common shares - A funded drill campaign of at least \$1,000,000 – 350,000 common shares - A funded drill campaign of at least \$2,000,000 – 500,000 common shares
San Roque 43-101	500,000 common shares are to be released on the successful completion of a 43-101 which defines a resource of at least 500,000 oz. of precious metals for San Roque
Punta Colorado Revenue Generation	750,000 common shares are to be released when limestone sales contracts which exceed \$1,000,000 per annum are signed and approved by the Board
El Carmen JV or Sale	250,000 common shares are to be released on the Board and TSXV approved deal for El Carmen
Completion of a 43-101 other than San Roque	250,000 common shares are to be released for each 43-101 report containing a reserve equal to 200,000 oz Au eq. in M&I category or 400,000 oz Au eq. in inferred category at an average of at least 0.2 g/t Au
Completion of a 43-101 Punta Colorada	125,000 common shares are to be released for a 43-101 report evidencing a mineral deposit
Completion of a 43-101 Las Aguilas	125,000 common shares are to be released for a 43-101 report evidencing a mineral deposit
Market Capitalization	750,000 common shares are to be released when the Company's market capitalization meets or exceeds \$20,000,000 CAD for at least 3 consecutive trading days
Acquisition of new assets value in excess of \$1,500,000	750,000 common shares are to be released on each Board and TSXV approved acquisition which is equal or greater than \$1,500,000 that's valued by an independent licensed and registered engineer or CBV as applicable
Transaction with transaction value in excess of \$2,500,000	750,000 common shares are to be released on the Board and TSXV approved transaction which is valued at \$2,500,000 or greater
Capital Raise	100,000 common shares are to be released when aggregate funds raised under the Consultant exceed \$750,000
Capital Raise	750,000 common shares are to be released when aggregate funds raised under the Consultant exceed \$3,000,000
Time	A maximum of 1,500,000 are to be released per year unless the Consulting Agreement is terminated by the Company in which case all common shares vested by achieving other milestones are to be immediately released

- (d) **Expenses:** The Company shall reimburse the Consultant for all documented reasonable travelling and other expenses, including, but not limited to, a new unlocked cellular telephone and monthly telephone expenses incurred by the Consultant in connection with providing the services under the Consulting Agreement;
- (e) **Stock Options and Long Term Incentive Awards:** The Consultant shall be entitled to receive options to purchase common shares of the Company and any long term incentive awards as may be determined from time to time by the Board;
- (f) **Benefits:** If the Consultant becomes eligible therefor, the Company shall provide the Consultant with the right to participate in and to receive benefits from all life insurance, pension plans, medical insurance and similar benefits made available, as determined by the Board; and
- (g) **Directors' and Officers' Liability Insurance:** The Company shall provide and maintain directors' and officers' liability insurance coverage of at least \$2,000,000 and it shall list Robert Abenante under any such policies.

Items (a) through (g) above are collectively defined as "**The Compensation**". The term of the Consulting Agreement is two years.

The Consulting Agreement also contains change of control provisions under which the Consultant would be entitled to the following:

- (a) **Accrued Compensation:** The Company would pay all accrued and but unpaid Base Consulting Fees and all expense reimbursements owed to the date of termination;
- (b) **Severance Payment:** The Consultant would receive a lump-sum payment (less applicable withholding taxes) equal to twenty-four months of the Base Consulting Fee as in effect immediately prior to the date of termination; and
- (c) **Accelerated Vesting of Equity Awards:** All stock options, stock appreciation rights, restricted stock units, performance shares, performance stock units and any other Company equity compensation awards (collectively, the "**Equity Awards**") that are unvested at the date of termination shall immediately become vested as of the date of termination and shall remain exercisable until the twelve month anniversary of the termination of the Consulting Agreement, provided however that the post-termination exercise period for any Equity Award will not extend beyond the earlier of its original maximum term.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution by disinterested shareholders.

"BE IT RESOLVED THAT the entering into of the Consulting Agreement by the Company as such agreement may be amended if required by the TSX Venture Exchange, the performance of its obligations thereunder, and the payment of The Compensation as outlined in the Company's Information Circular dated October 26, 2017, are hereby authorized and approved."

B. Confirmation of Rolling Stock Option Plan

At last year's annual general meeting, the Company proposed and the shareholders re-approved the Company's 10% "rolling" stock option plan (the "**Stock Option Plan**"). Under the policies of the TSX Venture Exchange, a rolling stock option plan must be re-approved on a yearly basis by shareholders. Accordingly, Shareholders will be asked to pass an ordinary resolution re-approving the Company's Stock Option Plan, details of which are set forth below:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Company equal to up to a maximum of 10% of the issued common shares of the Company at the time of any stock option grant;
- (b) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Company calculated on the date an option is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
- (c) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Company, calculated at the date an option is granted to the Consultant;
- (d) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date an option is granted to any such Person;
- (e) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (f) the minimum exercise price per common share of a stock option must not be less than the Discounted Market Price of the common shares of the Company, subject to a minimum exercise price of \$0.05;
- (g) options can be exercisable for a maximum of 10 years from the date of grant;

- (h) if an optionee providing investor relations services to the Company ceases to be an eligible participant under the Stock Option Plan, that optionee's outstanding options will terminate on the earlier of the applicable expiry date and the date that is 30 days from such event unless extended by the board at its discretion;
- (i) if an optionee other than an optionee providing investor relation services to the Company ceases to be an eligible participant under the Stock Option Plan, that optionee's outstanding options will terminate on the earlier of the applicable expiry date and the date that is 90 days from such an event unless extended by the board at its discretion;
- (i) all options are non-assignable and non-transferable; and
- (j) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares.

"Consultant", "Director", "Disinterested Shareholder Approval", "Employee", "Investor Relations Activities", "Discounted Market Price" and "Person" all have the same definition as in the policies of the TSX Venture Exchange.

Pursuant to the Board's authority to govern the implementation and administration of the Company's Stock Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Stock Option Plan.

Management recommends, and the persons named in the enclosed form of Proxy intend to vote in favour of, the adoption and approval of the Stock Option Plan.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution.

"BE IT RESOLVED THAT the Company's Stock Option Plan dated June 5, 2014, re-approved by shareholders June 24, 2015 and June 21, 2016, be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable."

C. *Acts and Deeds of Directors*

Shareholders will be requested to pass an ordinary resolution to confirm, ratify and approve all acts, deeds and things done by and the proceedings of the Directors and Officers of the Company on behalf of the Company during the preceding year.

As of the date of this circular, management knows of no other matters to be acted upon at this 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.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 1300, 1500 West Georgia Street, Vancouver, BC, V6G 2Z6, phone (604) 365-0425 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

SCHEDULE "A"
MARIFIL MINES LIMITED
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of Marifil Mines Limited (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. All of the members of the Committee shall be "financially literate".
4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
5. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
8. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors; and
 - (d) the proceedings of all meetings will be minuted.
9. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
10. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next Annual General Meeting of the Shareholders after his/her election.
11. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) approve in advance provision by the external auditors of services other than auditing;
 - (e) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;

- (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
- (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
- (g) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
- (h) review any significant disagreements between management and the external auditor regarding financial reporting.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (c) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;

- (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) establish procedure for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
 - (g) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
 - (h) review and recommend updates to the charter and receive approval of changes from the Board;
 - (i) review the minutes of any audit committee meeting of subsidiary companies;
 - (j) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (k) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (l) perform other functions as requested by the full Board.
6. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are John W. Pearson, Greg Burnett and Michael Sweatman. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in Multilateral Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The relevant education and/or experience of each member of the Audit Committee is as follows:

Mr. Greg Burnett

Mr. Burnett is a director of Marifil Mines Limited. Mr. Burnett has more than 20 years of diversified business experience in corporate finance and administration. Since 1989, he has been President and principal shareholder of Carob Management Ltd., a private management consulting company based in Vancouver, British Columbia specializing in the structuring, financing and management of venture capital projects, primarily in the public market arena. Mr. Burnett presently services on the board of directors of Garibaldi Resources Corp., a junior gold exploration company focusing on projects in British Columbia and Mexico and Wolverine Minerals Corp., a company engaged in the acquisition, exploration and development of mineral properties located in Yukon and Mexico. Mr. Burnett holds a Master of Business Administration degree (1986) and a Bachelor of Applied Sciences degree in Civil Engineering (1984) from the University of British Columbia.

Mr. John W. Pearson

John Pearson is a director of Marifil Mines Limited. Mr. Pearson holds a Honours B.Sc. in Geology (1981) from Lakehead University and has taken a number of financial courses through the National Investor Relations Institute and the Canadian Investor Relations Institute, as well as having completed the Canadian Securities Course. Mr. Pearson has more than 30 years experience in the natural resources industry. For the past 25 years he has worked directly as an Investor Relations Executive with mining companies writing annual reports, prospectuses, quarterly reports, news releases including the MD&A and financial statements. Since September 2006, he has been Vice President Investor Relations of Centerra Gold Inc., the largest western-based gold producer in Central Asia. Previously he worked from February 2001 through August 2006 as the investor relations representative for Stillwater Mining Company, the only North American primary PGM producer. Prior to that from 1987 through 2000 he held increasingly senior investor relations roles with SouthernEra Resources, Pegasus Gold Inc., LAC Minerals Ltd. and Canamax Resources Ltd.

Mr. Michael Sweatman

Mr. Sweatman is a Chartered Professional Accountant and operates MDS Management Ltd., a Vancouver based management consulting company since November 1992. In addition, Mr. Sweatman serves on a number of Boards of reporting companies. He is a director of Nevada Sunrise Gold Corp. and Eureka Resources, Inc. He has served and does serve as Chair of several Audit Committees, Compensation Committees and Special Committees of Boards over the past 25 years. He obtained his CA designation in 1982 and is a member of the Institutes of Chartered Professional Accountants of British Columbia and the Yukon Territory. He obtained his Bachelor of Arts degree in Economics and Commerce from Simon Fraser University in Burnaby, British Columbia in 1982.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Manning Elliott LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: 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 the Instrument. 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.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor the last fiscal year is as follows:

	<u>FYI 2015</u>	<u>FYE 2016</u>
Audit Fees	\$ 41,000	\$ 35,000
Audit Related Fees	Nil	Nil
Tax Fees	Nil	\$ 3,750
All Other fees	Nil	Nil
Total Fees:	\$ 41,000	\$ 38,750

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

SCHEDULE "B"
MARIFIL MINES LIMITED
CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board reviews its procedures on an ongoing basis to ensure it is functioning independently of management. As circumstances require, the Board meets without management present, and convenes meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

Mr. Michael Sweatman, a director of the Company, is "independent" in that he is independent and free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Mr. Greg Burnett, a director of the Company, is "independent" in that he is independent and free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Mr. John W. Pearson, a director of the Company, is "independent" in that he is independent and free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Mr. Daniel Buffone, a director of the Company, is President and Director of Marifil S.A., the Company's wholly owned Argentina subsidiary, and is therefore not independent.

Mr. Richard Walters is the Vice-President of the Company and is therefore not independent.

Mr. John Hite is the President and Chief Executive Officer of the Company and is therefore not independent.

Mr. Robert Abenante is a nominee to the board of directors and is proposed to be the Chief Executive Officer of the Company and will therefore not be independent.

ITEM 2. DIRECTORSHIPS

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

Name of Director	Name of Reporting Issuer
John Hite	None
Richard (Dick) Walters	None
John W. Pearson	None
Greg Burnett	Garibaldi Resources Corp. Wolverine Minerals Corp.
Michael Sweatman	Eureka Resources, Inc. Nevada Sunrise Gold Corporation
Daniel Buffone	None

Name of Director	Name of Reporting Issuer
Robert Abenante	Abattis Bioceticals Corp.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company brief all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies. Messrs. Sweatman, Burnett and Pearson comprise the Compensation Committee.

ITEM 7. OTHER BOARD COMMITTEES

The Board of Directors has no other committees other than the Audit Committee and the Compensation Committee.

ITEM 8. ASSESSMENTS

On an ongoing basis, the Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.