

## **REMO RESOURCES INC.**

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### **INFORMATION CIRCULAR**

(As at June 9, 2017, except as indicated)

Remo Resources Inc. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on Tuesday, July 18, 2017 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

#### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

#### **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited one of the following ways:

- (a) at the office of the Company's registrar and transfer agent, TSX Trust Company, 650 West Georgia Street, Suite 2700, Vancouver, British Columbia, V6B 4N9;
- (b) online at the website [www.voteproxyonline.com](http://www.voteproxyonline.com); or
- (c) submitted electronically by email to [TMXProxyControl@TMX.com](mailto:TMXProxyControl@TMX.com),

not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory requirements, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("NOBOs"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("OBOs").

In accordance with the requirements of NI 54-101, the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting Materials unless their Nominee assumes the costs of delivery.

## NOTICE-AND-ACCESS

The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 8,925,000 shares are issued and outstanding. Persons who are registered shareholders at the close of business on Friday, June 9, 2017 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except the following:

Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Gary Freeman	1,764,000 <sup>(1)</sup>	19.76%

(1) 1,111,000 of these shares are held through GRF Consulting Corp., a company controlled by Mr. Freeman.

## ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at four (4).

The Company is required to have an audit committee. The Company also has a compensation committee. Members of the audit committee and compensation committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Previous Service as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
<b>Stephen Kenwood</b> <sup>(2)(3)</sup> British Columbia, Canada <i>President, Chief Executive Officer, Corporate Secretary and Director</i>	Geologist and Business Consultant.	Since September 1, 2011	800,000
<b>Gary Freeman</b> <sup>(2)(3)</sup> British Columbia, Canada <i>Director</i>	President and Chief Executive Officer of Ethos Gold Corp.	Since September 1, 2011	1,764,000 <sup>(4)</sup>
<b>Keith Henderson</b> <sup>(3)</sup> British Columbia, Canada <i>Director</i>	Business and Geological Consultant.	Since February 22, 2012	50,000
<b>Peter Mordaunt</b> <sup>(2)</sup> Arizona, USA <i>Director</i>	Independent Businessman	Since March 4, 2012	200,000

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 9, 2017, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

(2) Member of the audit committee.

(3) Member of the compensation committee.

(4) Of these, 1,111,000 shares are held in the name of GRF Consulting Corp., a private company controlled by Mr. Freeman.

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.

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar 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; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (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; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any 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.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

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 compensation program is designed to reward individual performance and contributions to the goals achieved by the Company.

The Company has a management consulting agreement with CDM Capital Partners Inc., a private company of which Darren Devine (former director of the Company) owns one third, as described below under "*Management and Consulting Agreements*". At this time, the Company does not pay any cash compensation to its directors.

The Company may choose to pay cash compensation in order to provide compensation that is competitive in the industry. The Company may choose to pay compensation in the form of incentive stock options in order to align the directors and NEOs' compensation with their contribution to the success of the Company in creating shareholder value, to provide a retentive effect on the directors and NEOs, and to provide compensation that is in line with the Company's fiscal resources. All elements of compensation are determined by the Company's board of directors, based on recommendations from the Company's compensation committee. When recommending compensation, the compensation committee takes into account the amount of each other element of compensation that is received by a particular NEO or director.

The Company's board of directors has not undertaken a formal analysis of the implications of the risks associated with the Company's compensation policies and practices.

The Company has not adopted a formal policy forbidding directors or NEOs from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers; however, the Company is not aware of any directors or NEOs having entered into this type of transaction.

## Share-Based and Option-based Awards

The Company has not granted any share-based awards.

Stock options may be granted by the Company as determined by the board of directors, based on recommendations from the compensation committee. In the case of option grants to the CEO, the compensation committee will take into account the Company's overall performance in line with performance goals set by the board of directors on an annual basis. It is the Company's policy to award options on a yearly basis based on performance in the prior year and targets for the forthcoming year. The Company's compensation committee takes into account previous option grants when considering new option grants.

## Compensation Governance

Compensation is determined by the Company's board of directors, based on recommendations from the compensation committee. Neither the compensation committee nor the board of directors has adopted any formal policies to determine the compensation of the Company's directors and executive officers. The Company has not retained any compensation consultants or advisors to assist the board of directors or compensation committee in determining compensation for any of the Company's directors or executive officers.

## Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company. The information is provided for each of the individuals comprised of the CEO and the CFO who acted in such capacity for all or any portion of the most recently completed financial year, and 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 the CFO), as at March 31, 2017 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "Named Executive Officers" or "NEOs"):

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Stephen Kenwood, CEO/President/Secretary	2017	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Vivien Chuang, CFO	2017	3,000	Nil	Nil	Nil	N/A	N/A	Nil	3,000
	2016	900	Nil	Nil	Nil	N/A	N/A	Nil	900
	2015	Nil	Nil	Nil	Nil	N/A	N/A	Nil	Nil

## Incentive Plan Awards to NEOs

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the directors and officers of the Company. The Company has a stock option plan in

place for the granting of incentive stock options to the directors, officers, employees and consultants of the Company. The following information relates to incentive stock options granted under the Company's stock option plan, which is described below under the heading "*Approval and Ratification of Stock Option Plan*".

#### Outstanding Share-Based Awards and Option-Based Plan Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company during the financial years ending March 31, 2016 and March 31, 2017, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares Or Units Of Shares That Have Not Vested <sup>(1)</sup> (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested <sup>(1)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Stephen Kenwood, CEO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vivien Chuang, CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil

#### Value Vested Or Earned During The Year

The value vested or earned during the financial years ended March 31, 2016 and March 31, 2017 of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Stephen Kenwood, CEO	Nil	N/A	N/A
Vivien Chuang, CFO	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

#### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

#### **Management and Consulting Agreements**

The Company has a management agreement with CDM Capital Partners Inc. Darren Devine, a former director of the Company, owns one-third of CDM Capital Partners Inc. Effective from March 1, 2016, the Company has been paying \$750 per month in accounting fees to CDM Capital Partners Inc.

## Termination and Change of Control Benefits

The Company has no employment contracts with any Named Executive Officer.

The Company has no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 to compensate such executive officers in the event of resignation, retirement or other termination, a change of control of the Company or a change in responsibilities following a change in control.

## Director Compensation

The following table sets forth the compensation paid to the directors who are not also NEOs for the Company's financial years ended March 31, 2016 and March 31, 2017:

Director Name <sup>(1)</sup>	Year	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Darren Devine <sup>(2)</sup>	2017	9,000 <sup>(3)</sup>	Nil	Nil	N/A	N/A	Nil	9,000
	2016	23,250 <sup>(3)</sup>	Nil	Nil	N/A	N/A	Nil	23,250
Gary Freeman	2017	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Keith Henderson	2017	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Peter Mordaunt	2017	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2016	Nil	Nil	Nil	N/A	N/A	Nil	Nil

(1) Relevant disclosure has been provided in the *Summary Compensation Table* above, for directors who receive compensation for their services as a director who are also Named Executive Officers.

(2) Darren Devine resigned as a director on May 10, 2017.

(3) Includes fees paid to CDM Capital Partners Inc., a company of which Darren Devine owns one-third. During the March 31, 2016 financial year the Company paid fees of \$5,500 in rent, \$4,000 in office and administrative fees, and \$13,750 in accounting fees to CDM Capital Partners Inc. During the March 31, 2017 financial year the Company paid fees of \$Nil in rent, \$Nil in office and administration fees, and \$9,000 in accounting fees to CDM Capital Partners Inc.

## Incentive Plan Awards to Directors

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company during the years ended March 31, 2016 and March 31, 2017, including awards granted before those periods, to each of the Directors who are not NEOs:

Director Name	Year	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares Or Units Of Shares That Have Not Vested <sup>(1)</sup> (#)	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 (\$)
Darren Devine	2017	Nil	Nil	N/A	Nil	N/A	N/A	N/A
	2016	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Gary Freeman	2017	Nil	Nil	N/A	Nil	N/A	N/A	N/A
	2016	Nil	Nil	N/A	Nil	N/A	N/A	N/A
Keith Henderson	2017	Nil	Nil	N/A	Nil	N/A	N/A	N/A
	2016	Nil	Nil	N/A	Nil	N/A	N/A	N/A

Director Name	Year	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares Or Units Of Shares That Have Not Vested <sup>(1)</sup> (#)	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 (\$)
Peter Mordaunt	2017	Nil	Nil	N/A	Nil	N/A	N/A	N/A
	2016	Nil	Nil	N/A	Nil	N/A	N/A	N/A

#### Value Vested Or Earned During The Year

The value of incentive plan awards granted to Directors vested or earned during the years ended March 31, 2016 and March 31, 2017 are as follows:

Name of Director	Year	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Darren Devine	2017	Nil	N/A	N/A
	2016	Nil	N/A	N/A
Gary Freeman	2017	Nil	N/A	N/A
	2016	Nil	N/A	N/A
Keith Henderson	2017	Nil	N/A	N/A
	2016	Nil	N/A	N/A
Peter Mordaunt	2017	Nil	N/A	N/A
	2016	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

#### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the March 31, 2016 and March 31, 2017 financial years.

Plan Category	Year	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2017	Nil	N/A	892,500
	2016	Nil	N/A	892,500
Equity compensation plans not approved by securityholders	2017	N/A	N/A	N/A
	2016	N/A	N/A	N/A
<b>Total</b>	2017	Nil	-	892,500
	2016	Nil	-	892,500

The Company's incentive stock option plan, described below, is the only compensation plan under which equity securities are authorized for issuance. Shareholder approval of the plan will be sought at the Meeting.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at June 9, 2017, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

**APPOINTMENT OF AUDITORS**

Charlton & Company, Chartered Accountants, of Vancouver, British Columbia, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Charlton & Company as the auditors of the Company to hold office for the ensuing year.

## **AUDIT COMMITTEE**

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

#### *General*

The audit committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the audit committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The audit committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the audit committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the audit committee are in addition to such member's duties as a member of the Board.

The audit committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### *Membership*

The audit committee consists of at least three Directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange and other regulatory agencies as required.

#### *Procedural Matters*

The audit committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The audit committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person.
- (b) May invite the Company's external auditors, the Chief Financial Officer, and such other persons are deemed appropriate by the audit committee to attend meetings of the audit committee.
- (c) Shall report material decisions and actions of the audit committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the audit committee on an annual basis and report to the Board.
- (e) Shall review and assess the Mandate for the audit committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the audit committee.

- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**"), if applicable, and external auditors.
- (h) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The audit committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full audit committee for approval at its next meeting.

No business may be transacted by the audit committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the 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 audit committee shall have the authority to engage independent counsel and other advisors as the audit committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the audit committee. The audit committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The audit committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

#### *Responsibilities*

The audit committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the audit Committee may consult with management.

#### External Auditors

The responsibilities of the audit committee are to:

- (a) Recommend to the Board:
  - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
  - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The audit committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non audit related services provided by the external auditors to the

Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of The Toronto Stock Exchange with respect to approval of non audit related services performed by the external auditors.

- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 (Auditor Oversight) and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

#### Internal Auditors

The audit committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the audit committee shall:

- (a) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the audit committee may consider appropriate to discuss any concerns or issues;
- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

#### Audit and Review Process and Results

The audit committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the audit committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.

- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The audit committee shall direct management to implement such changes as the audit committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

#### Interim Financial Statements and MD&A

The Board has delegated to the audit committee the power to approve the Company's interim financial statements and management's discussion and analysis. The audit committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

#### Involvement with Management

The audit committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The audit committee:

- (a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the audit committee for their review.

- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the audit committee Mandate in the Company's Annual Information Form, Information Circular and on the Company's website.

### *Complaints*

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the audit committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the audit committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the audit committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the audit committee for a period of three years.

### *Reporting*

The audit committee shall report to the Board of Directors at its regularly scheduled meetings.

### **Composition of the Audit Committee**

The following are the members of the Committee:

Stephen Kenwood	Not Independent <sup>①</sup>	Financially literate <sup>①</sup>
Peter Mordaunt	Independent <sup>①</sup>	Financially literate <sup>①</sup>
Gary Freeman	Independent <sup>①</sup>	Financially literate <sup>①</sup>

<sup>①</sup> As defined by National Instrument 52-110 ("**NI 52-110**").

Until his resignation on May 10, 2017, Darren Devine was a member of the audit committee. He was independent and financially literate as such terms are defined in NI 52-110.

### **Relevant Education and Experience**

The education background or experience of the following audit committee members has enabled each to perform his responsibilities as audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

#### *Stephen Kenwood*

Mr. Kenwood received a Bachelor of Science (Geology) degree from the University of British Columbia in 1987 and has been a self-employed Consulting Geologist since 1991. He is a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia since 1993 and has over 20 years of domestic and international geological experience. Mr. Kenwood has the ability to read and understand financing reporting having held senior management and director positions with other reporting issuers in the mineral exploration and mining sector.

#### *Peter Mordaunt*

Peter Mordaunt has 27 years' experience acting as an officer and/or director of a number of Canadian public companies involved in mineral exploration. Mr. Mordaunt is a registered certified member of the Institute of Corporate Directors and has the ability to read and understand financing reporting having held senior management and director positions with other reporting issuers in the mineral exploration and mining sector.

#### *Gary Freeman*

Gary Freeman has past experience as an officer a director of Canadian public companies involved in mineral exploration. Mr. Freeman has the ability to read and understand financing reporting having held senior management and director positions with other reporting issuers in the mineral exploration and mining sector.

### **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 not adopted by the Board of Directors.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the Company's last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
March 31, 2017	\$7,650	\$Nil	\$900	\$Nil
March 31, 2016	\$7,650	\$Nil	\$875	\$Nil

### Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the audit committee) and 5 (Reporting Obligations).

### CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the board of directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### Independence of Members of Board

The Company's board of directors consists of four directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Gary Freeman, Keith Henderson and Peter Mordaunt are independent. Stephen Kenwood is not independent as he is the President, CEO and Corporate Secretary of the Company.

### Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the board of directors. The board of directors considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. Further supervision is

performed through the audit committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance. The board of directors may from time to time appoint a lead director to direct board of directors operations.

### **Participation of Directors in Other Reporting Issuers**

The following directors of the Company hold directorships in other reporting issuers as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Stephen Kenwood	Sonoro Metals Corp. Ely Gold & Minerals Inc. Majestic Gold Corp. Newcastle Energy Corp. Essex Minerals Inc.
Gary Freeman	Ethos Gold Corp. Sonoro Metals Corp. Precipitate Gold Corp.
Keith Henderson	Centenera Mining Corporation Desert Star Resources Ltd.
Peter Mordaunt	Argonaut Gold Inc.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new members of its board of directors are provided with:

1. information respecting the functioning of the board of directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

Members of the board of directors are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Members of the board have full access to the Company's records.

### **Ethical Business Conduct**

The board of directors views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The board of directors has adopted a Code of Conduct that is provided to all directors and officers and the board of directors has instructed its management and employees to abide by the Code of Conduct. The Code of Conduct is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Nomination of Directors**

The board of directors has responsibility for identifying potential board candidates. The board of directors assesses potential candidates to fill perceived needs on the board of directors for required skills, expertise, independence and other factors.

**Compensation**

The compensation committee is responsible for recommending compensation for the individual directors and officers of the Company, including the CEO.

**Board Committees**

At this time, the board of directors does not have any standing committees other than the audit committee and compensation committee.

The following are the members of the audit committee:

Stephen Kenwood (Chair)  
Gary Freeman  
Peter Mordaunt

The following are the members of the compensation committee:

Gary Freeman (Chair)  
Stephen Kenwood  
Keith Henderson

**Assessments**

The board of directors annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the board of directors, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the board of directors may conduct informal surveys of its directors, and reports from the audit committee respecting its own effectiveness. As part of the assessments, the board of directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

The board of directors does not consider that formal assessments would be useful at this stage of the Company's development. The board of directors conducts informal annual assessments of the board of director's effectiveness, the individual directors and each of its committees. As part of the assessments, the board of directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

**Nomination and Assessment**

The board of directors determines new nominees to the board of directors, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the board of directors members, including both formal and informal discussions among board of directors members

and the President. The board of directors monitors but does not formally assess the performance of individual board of directors members or committee members or their contributions.

### **Expectations of Management**

The board of directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

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

#### **Approval and Ratification of Stock Option Plan**

The board of directors of the Company implemented a stock option plan (the "**Plan**") effective April 12, 2012, which was approved by the TSX Venture Exchange (the "**Exchange**") in connection with the Company's initial listing application. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

The purpose of the Plan is to attract and motivate directors, senior officers, employees, management company employees and consultants (collectively, the "**Optionees**") and to give such persons, as additional compensation, the opportunity to participate in the success of the Company. Under the Plan, options are exercisable over periods of up to 10 years as determined by the Company's board of directors and are required to have an exercise price no less than the closing market price of the common shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Company's board of directors. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis (without shareholder approval) or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements, but permits the Company's board of directors to specify a vesting schedule in its discretion, subject to the Exchange's minimum vesting requirements, if any.

The Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The Plan is administered by the board of directors of the Company, which has full and final authority with respect to the granting of all options thereunder.

Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass an ordinary resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 1430 – 800 West Pender Street Vancouver, British Columbia, V6C 2V6, and will also be available for review at the Meeting.

***Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Plan.***

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at (604) 638-8063 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 9<sup>th</sup> day of June, 2017.

APPROVED BY THE BOARD OF DIRECTORS

"Stephen Kenwood"

STEPHEN KENWOOD

President and Chief Executive Officer