

# K2 GOLD CORPORATION

	<b>2017</b>	Notice of Annual General Meeting of Shareholders
<b>ANNUAL GENERAL MEETING</b>		Information Circular
	<b>Place:</b>	Offices of K2 Gold Corporation Suite 1020 - 800 West Pender St. Vancouver, BC V6C 2V6
	<b>Time:</b>	10:00 am PDT
	<b>Date:</b>	Tuesday, June 27, 2017

# K2 GOLD CORPORATION

## CORPORATE DATA

### *Head Office*

Suite 1020, 800 West Pender Street  
Vancouver, BC V6C 2V6

### *Directors and Officers*

Stephen Swatton, Director, President &  
Chief Executive Officer

John Robins, Chairman

Gary Freeman, Director

Craig Roberts, Director

Frederic Leigh, Director

Robert Scott, Chief Financial Officer

Dayna Leigh, Secretary

### *Registrar & Transfer Agent*

Computershare

2<sup>nd</sup> Floor, 510 Burrard Street

Vancouver, BC V6C 3B9

### *Auditors*

Davidson & Company LLP

1200-609 Granville Street

Vancouver, BC V7Y 1G6

### *Listing*

TSX Venture Exchange

Tier 2

Symbol: KTO

**K2 GOLD CORPORATION**  
**(the "Company")**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at the offices of the Company, Suite 1020 - 800 West Pender Street, Vancouver, British Columbia, on Tuesday, June 27, 2017 at 10:00 A.M. (PDT) for the following purposes:

- (a) To receive the financial statements of the Company for the fiscal year ended December 31, 2016, together with the report of the auditors thereon;
- (b) To elect directors;
- (c) To appoint auditors;
- (d) To approve the continuance of the Company's Share Option Plan; and
- (e) To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Registered shareholders who are unable to attend the meeting are requested to read the notes included in the form of Proxy enclosed and then to complete, date, sign and mail the enclosed form of Proxy, or to complete the Proxy by telephone or the internet, in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice.

DATED at Vancouver, British Columbia, this 23<sup>rd</sup> day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*"Stephen Swatton"*

Stephen Swatton  
President & Chief Executive Officer

<p><b>If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the meeting.</b></p>
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Suite 1020 - 800 West Pender Street  
Vancouver, British Columbia V6C 2V6  
Telephone: 604-331-5090  
Facsimile: 604-682-4809

## **INFORMATION CIRCULAR**

(As at May 23, 2017 unless indicated otherwise)

### **SOLICITATION OF PROXIES**

This Information Circular and the accompanying documents (the “Meeting Materials”) are furnished in connection with the solicitation of proxies by the management of K2 Gold Corporation (the “Company”) for use at the Annual General Meeting of Shareholders of the Company to be held on Tuesday, June 27, 2017 (the “Meeting”) and any adjournment thereof at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES OR BY COMPLETING ANOTHER FORM OF PROXY.** To be valid, a proxy must be in writing and executed by the shareholder or its attorney authorized in writing, unless the shareholder chooses to complete the proxy by the internet as described in the enclosed proxy form. Completed proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, before Friday, June 23, 2017 at 10:00am PDT, or, at the discretion of the Chairman of the Meeting, delivered to the Chairman of the Meeting prior to the commencement of the Meeting or prior to any re-commencement of the Meeting after an adjournment.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, 1800 – 510 West Georgia Street, Vancouver, BC V6B 0M3, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **INFORMATION FOR BENEFICIAL HOLDERS OF SHARES**

The shares owned by many shareholders of the Company are not registered on the records of the Company in the shareholders' own names, but in the name of a securities dealer, bank or other intermediary, or in the name of a clearing agency (referred to in this Information Circular as an "intermediary" or "intermediaries"). Shareholders who do not hold their shares in their own names (referred to in this Information Circular as "beneficial holders") should note that only registered shareholders may vote at the Meeting. A beneficial holder cannot be recognized at the Meeting for the purpose of voting his shares unless he is appointed by the intermediary as a proxyholder.

Applicable regulatory policy requires intermediaries to seek voting instructions from beneficial shareholders. Every intermediary has its own procedures to seek those instructions. Beneficial shareholders should follow those procedures carefully to ensure that their shares are voted at the Meeting.

The majority of brokers in Canada have delegated authority for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms, or alternatively, prepares a separate "voting instruction" form, mails those forms to beneficial holders, and asks beneficial holders to return the proxy or voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions for voting at the Meeting. A beneficial holder who receives a proxy bearing a Broadridge sticker or a voting instruction form cannot deposit that proxy or form on the Meeting date to vote common shares at the Meeting. The proxy or form must be returned to Broadridge in advance of the Meeting in order to allow the shares to be voted by the named proxyholder at the Meeting.

In addition to those procedures, recent amendments to National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101") allow a non-objecting beneficial holder ("NOBO") to submit to the Company or an applicable intermediary any document in writing that requests that such NOBO or its nominee be appointed as the NOBO's proxyholder. If such a request is received, the Company or the intermediary, as applicable, must arrange, without expense to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Information Circular, provided that the Company or the intermediary receives such written instructions at least one business day prior to the time at which proxies are to be submitted for use at the Meeting; accordingly, any such request must be received by 10:00 a.m. (Pacific Daylight Time) on Thursday, June 22, 2017.

An objecting beneficial owner ("OBO") is a beneficial holder who has provided instructions to an intermediary holding common shares in an account on behalf of the OBO that the OBO objects to the intermediary disclosing the OBO's name, address and share ownership information to the Company to allow the Company to send shareholder materials to the OBO. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and an OBO will not receive those materials unless the OBO's intermediary assumes the cost of delivery.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.**

## **EXERCISE OF DISCRETION**

Shares represented by proxy are entitled to be voted on a show of hands or any poll and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will be voted or withheld from voting in accordance with the specification so made.

## **SUCH SHARES WILL BE VOTED FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

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

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company since the commencement of the Company's last completed financial year, or of any proposed nominee for election as a director of the Company, or of any associate or affiliate of any of such persons, in any manner to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

The Company is authorized to issue an unlimited number of common shares without par value (the "Common Shares"), of which 14,505,137 Common Shares are issued and outstanding. Persons who are registered shareholders at the close of business on May 23, 2017 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company.

## **ELECTION OF DIRECTORS**

The Board of Directors presently consists of five directors. It is intended to elect five directors for the ensuing year. The term of office of each of the present directors expires at the Meeting. At the Meeting, management intends to nominate for re-election all incumbent directors.

The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia) (the "Act").

As at the date hereof, the members of the Audit Committee of the Company are Frederic Leigh, Gary Freeman and Craig Roberts. The current members of the Health and Safety Committee are John Robins, Craig Roberts and Stephen Swatton. The Company also has a Compensation Committee, the current members of which are Frederic Leigh, Gary Freeman, and John Robins and a Corporate Governance Committee, the current members of which are Gary Freeman, Frederic Leigh and Craig Roberts.

The following table sets out the names of the nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of common shares of the Company beneficially owned by each, or controlled or directed, directly or indirectly, as at the date hereof.

<b>Name, Position, Province/State and Country of Residence<sup>(1)(2)</sup></b>	<b>Principal Occupation or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>No. of Shares<sup>(1)</sup></b>
<b>John Robins</b> Executive Chairman Resident of BC, Canada	Self-employed professional geologist and entrepreneur.	August 2, 2011 to date	1,363,000 <sup>(3)</sup>
<b>Stephen Swatton</b> President, Chief Executive Officer and Director Resident of BC, Canada	President, CEO and Director of the Company.	June 28, 2016	1,032,000 <sup>(4)</sup>
<b>Gary Freeman</b> Director Resident of BC, Canada	President and CEO of Ethos Gold Corp.	June 28, 2016	1,142,000 <sup>(5)</sup>
<b>Freddie Leigh</b> Director Resident of BC, Canada	Self Employed Corporate Strategy Consultant	November 18, 2015	40,000 <sup>(6)</sup>
<b>Craig Roberts</b> Director Resident of BC, Canada	Managing Director, Axemen Resource Capital Ltd.	June 28, 2016	1,079,000 <sup>(7)</sup>

**NOTES:**

- (1) The information as to province/state and country of residence, principal occupation and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) None of the proposed nominees for election as a 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.
- (3) Of these shares, 16,250 are held indirectly in the name of Chilcotin Capital Corporation, a private company controlled by John Robins and 12,500 are held indirectly by Kelly Taylor, John Robins' spouse.
- (4) Of these shares, 32,000 are held indirectly in the name of Lundy Management Ltd., a private company controlled by Stephen Swatton.
- (5) These shares are held indirectly in the name of GRF Consulting Corp., a private company controlled by Gary Freeman.
- (6) These shares are held indirectly in the name of Siwash Corporate Services Inc., a private company controlled by Frederic Leigh.
- (7) These shares are held indirectly in the name of Flotsam Cove Holdings Ltd., a private company controlled by Craig Roberts.

**Orders and Bankruptcies**

Except as disclosed below, to the knowledge of management of the Company, no proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an

“**Order**”) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, 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:
  - (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, the disclosure of which would likely be important to a reasonable securityholder 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; or
- (e) 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;

John Robins was a director of CNR Capital Corporation at the time it was subject to cease trade orders issued by the Ontario Securities Commission (“**OSC**”) on July 20, 2007 and by the British Columbia Securities Commission (“**BCSC**”) on July 11, 2007 for failure to file annual financial statements. The cease trade orders were revoked by the OSC on September 14, 2007 and by the BCSC on September 17, 2007 with the filing of the required financial statements.

### **Penalties and Sanctions**

None of the proposed nominees for election as a director of the Company have 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 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.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Company's shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value.

The Company has reviewed its own corporate governance practices in light of the guidelines contained in National Instrument 58-201 – *Corporate Governance Guidelines*. The Company's practices comply generally with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore those guidelines have not been adopted. Set out below is a description of the Company's corporate governance practices as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

### Board of Directors

Pursuant to National Instrument 52-110 – *Audit Committees* ("NI 52-110"), a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the Company by virtue of their position or relationship with the Company. As at the date hereof, the Board is comprised of five members, the following of whom are considered independent under NI 52-110: Craig Roberts, Gary Freeman and Frederic Leigh. Stephen Swatton is not independent as he is the President and CEO of the Company. John Robins is not independent as he is the Executive Chairman of the Company.

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

### Directorships

The following table sets out details of directorships in other public issuers, held by each of the current directors standing for re-election and the proposed director:

Name of Director	Name of Other Reporting Issuers
John Robins	Kivalliq Energy Corporation Bluestone Resources Inc. Northern Empire Resources Corp.
Stephen Swatton	Nil
Craig Roberts	Redzone Resources Ltd. Ethos Gold Corp.
Gary Freeman	Sonoro Metals Corp. Precipitate Gold Corp. Remo Resources Inc. Ethos Gold Corp.
Freddie Leigh	Brassneck Capital Corp. Golden Harp Resources Inc.

## **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board and committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members 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. Board members have full access to the Company's records.

## **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet its responsibilities to shareholders. The Board has adopted a formal code of conduct and requires all Directors and Officers to comply with corporate governance principles and ethical business conduct. The Board requires that any Director or executive officer disclose any material interest that they have in any transaction or agreement to be entered into by the Company and, in the case of Directors, abstain from voting on any such transaction or agreement, in accordance with applicable corporate laws.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

## **Compensation**

A Compensation Committee has been established by the directors of the Company, the current members of which are Frederic Leigh, Gary Freeman, and John Robins, all of whom are independent within the meaning of NI 52-110 with the exception of John Robins who is not considered independent as he is the Executive Chairman of the Company.

The Compensation Committee of the Board of Directors of the Company operates under a written charter that sets out its responsibilities. The charter for the Compensation Committee of the Board of Directors of the Company is attached to this Information Circular as Schedule "A".

## **Other Board Committees**

The Board has established a Corporate Governance Committee, the current members of which are Gary Freeman, Frederic Leigh and Craig Roberts, all of whom are considered independent within the meaning of NI 52-110.

The Corporate Governance Committee was formed to oversee the development and regularly assess the Company's approach to corporate governance issues and to ensure that such approach supports the effective functioning of the Company with the shareholders' best interests in mind, as well as to foresee the effective communication between the Board of

Directors and Company management. The Corporate Governance Committee may also recommend to the Board candidates for appointment to the Board.

The Board has also established a Health and Safety Committee, the current members of which are John Robins, Craig Roberts and Stephen Swatton.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and its Audit Committee. To assist in its review, the Board conducts informal surveys of its Directors, and receives a report from the Audit Committee respecting its own effectiveness.

### **Expectations of Management**

The Board 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.

### **AUDIT COMMITTEE**

The text of the Company's Audit Committee Charter is attached as Schedule "B" to this Information Circular.

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

As at the date hereof, the members of the Audit Committee are Gary Freeman, Craig Roberts and Frederic Leigh. Each of the current members of the Audit Committee is financially literate within the meaning of Section 1.5 of NI 52-110 in that he 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.

### **Relevant Education and Experience**

The educational background or experience of the following proposed audit committee members has enabled each to perform his responsibilities as an 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.

#### *Craig Roberts*

Mr. Roberts is a mining engineer with over 30 years of operations, consulting, and investment banking experience. This includes work on feasibility studies for numerous mining projects

worldwide, investment banking/due diligence roles in over 200 institutional mining equity financings, and significant experience advising management and boards on both friendly and hostile transactions.

*Gary Freeman*

Mr. Freeman is an entrepreneur and financier who has been instrumental in financing, marketing and shareholder relations capacities with several junior exploration companies. He has over 30 years of experience in the industry, including a number of years in the brokerage industry.

*Freddie Leigh*

Mr. Leigh is the President of a privately-held company that provides advisory services. He has over 10 years of experience with companies in the mining and technology sectors worldwide.

The Audit Committee meets four times a year to review the quarterly and annual audited financial statements.

**Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption under section 2.4, 6.1.1(4),(5) or (6), or granted under Part 8 of NI 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached hereto as Schedule "B".

**External Auditors Service Fees (By Category)**

Fees paid or accrued by the Company and its subsidiaries for audit and other services provided by the Company's external auditors for the last two fiscal years were as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees<sup>(1)</sup></i>	<i>All Other Fees</i>
December 31, 2016	\$10,000	Nil	Nil	Nil
December 31, 2015	\$7,500	Nil	Nil	Nil

(1) Aggregate fees billed by the Company's auditor for professional services rendered for tax compliance, tax advice and tax planning.

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

The Company is a “venture issuer” as defined in NI 52-110 and 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).

## **EXECUTIVE COMPENSATION**

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

The Compensation Committee considers the compensation, including grants of equity-based compensation, to be paid to directors and officers of the Company and makes recommendations to the Board of Directors for consideration. The Board of Directors of the Company then determines the compensation to be paid, and also reviews the President’s recommendations respecting the compensation of consultants of the Company to ensure such compensation reflects the responsibilities and risks associated with each position. Compensation of the directors and officers, including the Named Executive Officers (as defined below under “Director and Named Executive Officer Compensation”) is reviewed by the Compensation Committee and the Board on an annual basis.

When determining the compensation of the management team, the Compensation Committee and the Board of Directors considers, among other things: (i) providing fair and competitive compensation to ensure compensation appropriately reflects the responsibilities assumed by the officer; (ii) balancing the interests of management and the shareholders of the Company; and (iii) rewarding performance with respect to operations in general. Currently, the Company does not use benchmarking as a methodology for compensation decisions.

In order to achieve these objectives, the following factors are considered when determining the compensation paid to management: (i) remuneration for services performed for the benefit of the Company; (ii) consulting fees for services rendered in respect of their duties as part of management, and (iii) long term incentive in the form of stock options. When reviewing the compensation of consultants of the Company, the directors of the Company as a whole consider how individuals are critical to the growth and success of the Company.

The Board delegates responsibility to the Compensation Committee to review, identify and mitigate risks associated with its compensation policies and ensure that the Company’s executive compensation policies are designed not to encourage a Named Executive Officer (as defined below under “Director and Named Executive Officer Compensation”) or an individual to take inappropriate or excessive risks in order to achieve individual short-term compensation objectives or outcomes that are not consistent with the long-term interests of the Company’s shareholders. To achieve this, the Compensation Committee ensures that the variable elements of the Company’s compensation policies are structured, based on personal and corporate objectives, none of which have the effect of encouraging excessive risk taking. The Company makes use of stock options as part of its compensation plan. The deferred nature of this compensation method does not, in the Committee’s view, promote excessive risk taking. Accordingly, the Compensation Committee has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Named Executive Officers and directors are permitted to purchase financial instruments, including, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. All

such purchases are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders.

The incentive stock option component of the Company's executive compensation program is intended to encourage and reward outstanding performance over the short-term and long-term, and to align the interests of the Company's senior officers with those of its shareholders. Options are awarded to Named Executive Officers by the Board based upon recommendations of the Compensation Committee which bases its decisions upon the level of responsibility and contribution of the individuals towards the Company's goals and objectives. The Compensation Committee also takes into consideration the amount and terms of outstanding stock options in determining its recommendations regarding the options to be granted during any fiscal year. The stock option component of executive compensation acts as an incentive for the Company's Named Executive Officers to work to enhance the Company's value over the long-term, and to remain with the Company.

The Company pays consulting fees to the Named Executive Officers relating to management services provided to the Company. For a description of all significant compensation paid to the Named Executive Officers see "Employment, Consulting and Management Agreements" below.

A Compensation Committee has been established by the directors of the Company, the current members of which are Frederic Leigh, Gary Freeman, and John Robins. Gary Freeman and Frederic Leigh are independent within the meaning of NI 52-110. John Robins is not considered independent as he is the Chairman of the Company. The Compensation Committee operates under its written charter attached to this Information Circular as Schedule "A".

The members of the Compensation Committee do not have direct experience that is relevant to their responsibilities in executive compensation. However, each Committee member has skills and experiences that enable him to make decisions on the suitability of the compensation policies and practices of the Company as set out under "Audit Committee – Relevant Education and Experience".

### **Director and Named Executive Officer Compensation**

The following table sets forth details of all compensation paid in respect of the individuals who were, at December 31, 2016, the Chief Executive Officer, the former Chief Executive Officer who resigned on April 30, 2016 and Chief Financial Officer of the Company (the "Named Executive Officers"), and the Directors of the Company. There were no other executive officers of the Company, or any of its subsidiaries, whose total compensation was, individually, more than \$150,000 for the financial year ended December 31, 2016.

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Stephen Swatton, President and Chief Executive Officer <sup>(1)</sup>	2016	\$100,000	Nil	Nil	Nil	Nil	\$100,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Rory Moore, Former President and Chief Executive Officer <sup>(2)</sup>	2016	\$19,000	Nil	Nil	Nil	Nil	\$19,000
	2015	\$22,800	Nil	Nil	Nil	Nil	\$22,800
Vivien Chuang Chief Financial Officer <sup>(3)</sup>	2016	\$12,250	Nil	Nil	Nil	Nil	\$12,250
	2015	\$3,000	N/A	N/A	N/A	N/A	\$3,000
John Robins Chairman	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	\$3,000	Nil	Nil	Nil	Nil	\$3,000
Frederic Leigh Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Gary Freeman Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Craig Roberts Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Swatton was appointed as President, CEO and Director on April 30, 2016. Consulting fees for the year were paid to Lundy Management Ltd., a company wholly owned by Mr. Swatton.
- (2) Mr. Moore ceased to be President, CEO and Director on April 30, 2016. Consulting fees were paid to Diamond Bay Enterprises Ltd., a company wholly owned by Mr. Moore.
- (3) Ms. Chuang resigned as CFO on April 30, 2017. Consulting fees were paid to VC Consulting Corp., a company wholly owned by Ms. Chuang.

The above transactions were incurred in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the related parties. The Company compensates its Named Executive Officers and Directors on a fee for service basis.

The Company has a Directors' and Officers' Insurance Policy, which includes \$2 million in coverage at an annual premium of \$7,150.

## Stock Options and Other Compensation Securities

### Compensation Securities

There were no stock options or other compensation securities outstanding for the Named Executive Officers and Directors at the end of the most recently completed financial year.

## Share Option Plan

The Company has in place a Share Option Plan dated for reference February 14, 2012 as amended on January 3, 2017 (the "Plan") for the benefit of directors, officers, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The key features of the Plan are as follows:

- (a) the maximum aggregate number of common shares that may be reserved for issuance under the Plan and all other share compensation arrangements of the Company is 10% of the issued and outstanding common shares of the Company at the time of grant;
- (b) if the common shares of the Company are listed for trading on the TSX Venture Exchange (the "TSXV"), the following restrictions on issuances of options are applicable under the Plan:
  - (i) no optionee can be granted an option if that option would result in the total number of options, together with all other share compensation arrangements granted to such optionee in the previous 12 months, exceeding 5% of the issued and outstanding common shares of the Company (unless disinterested shareholder approval is obtained);
  - (ii) the aggregate number of options granted to optionees conducting investor relations activities in any 12-month period must not exceed 2% of the issued and outstanding common shares of the Company, without the prior consent of the TSXV; and
  - (iii) the aggregate number of options granted to any one consultant in any 12-month period must not exceed 2% of the issued and outstanding common shares of the Company, calculated at the time of grant, without the prior consent of the TSXV;
- (c) if the common shares of the Company are listed for trading on the Toronto Stock Exchange (the "TSX"), then, notwithstanding anything in the Plan to the contrary, the aggregate number of common shares that may be issued to insiders of the Company pursuant to options granted under the Plan and under any other share compensation arrangement within any one-year period, must not exceed 10% of the issued and outstanding common shares of the Company;
- (d) the exercise price of an option issued under the Plan is determined by the directors, but cannot be less than the closing market price of the Company's shares on the day preceding the date of granting of the option less any available discount, if the common shares of the Company are listed for trading on the TSXV, or the market price the day before the grant of the common shares as reported by the TSX at the time such option is granted, if such shares are listed for trading on the TSX;
- (e) the term of each option will be determined by the Board of Directors, provided that, an option can only be exercisable for a maximum of ten years;
- (f) notwithstanding item (e) above, if the expiry date of an option occurs:
  - (i) within a Blackout Period (as defined in the Plan), the expiry date will be extended to the date which is ten business days after expiry of the Blackout Period; or

- (ii) immediately following a Blackout Period, the expiry date will be extended to the date which is ten business days after expiry of the Blackout Period less the number of business days between the expiry date of the option and the date on which the Blackout Period ends;
- (g) options may terminate prior to expiry of the option term in the following circumstances:
- (i) on death of an optionee, any option held by such optionee at the date of death may be exercised by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the expiry date otherwise applicable to such option;
  - (ii) if the common shares are listed for trading on the TSXV, then options granted to an optionee may be exercised until the earlier of 90 days after the date the optionee ceases to be a director, officer, employee, management company employee or consultant or such longer time period as the Board of Directors may determine, to a maximum of twelve months, and the expiry date otherwise applicable to such option;
  - (iii) if the common shares are listed for trading on the TSX, then, except as otherwise expressly approved by the Board of Directors for the specific option in question, options granted to an optionee may be exercised until the earlier of one year after the date the optionee ceases to be a director, officer, employee, management company employee or consultant and the expiry date otherwise applicable to such option; and
  - (iv) in the case of an optionee being dismissed from employment or service for cause, the options held by such optionee, whether or not vested at the date of dismissal, will terminate immediately on the date the optionee ceased to be a director, officer, employee, management company employee or consultant;
- (h) an option may expire on such earlier date or dates as may be fixed by the Board, subject to earlier termination in the event the optionee ceases to be eligible under the Plan by reason of death, retirement or otherwise.

### **External Management Companies**

The following Named Executive Officer and former Named Executive Officer of the Company, Stephen Swatton and Rory Moore, is not and was not an employee of the Company.

Other than as disclosed below under "Employment, Consulting and Management Agreements", the Company has not entered into any agreement with any external management company that employs or retains one or more of the Named Executive Officers or Directors of the Company and, other than as disclosed below, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

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

### *Consulting Agreement with Lundy Management Ltd. and Stephen Swatton*

The Company entered into a consulting agreement on May 1, 2016 with Stephen Swatton and Lundy Management Ltd., a company wholly controlled by Mr. Swatton for services as President and CEO of the Company (the "Lundy Agreement"). Pursuant to the Lundy Agreement, the Company pays a fee of \$12,500 + GST per month, for each full month in which services are rendered. The Lundy Agreement also provides for Swatton to be eligible for a bonus based on the achievement and satisfaction of certain goals and objectives on such terms and conditions as established by the Board of Directors. The maximum amount for Swatton's bonus will be 100% of Swatton's annual fee, and is at the discretion of the Board.

The Lundy Agreement may be terminated: (i) by Lundy, at any time, for any reason, without cause or entitlement to any further compensation, upon 30 days' written notice to the Company; (ii) by either party, for cause, at any time without entitlement to any further compensation, in the event of a failure by the other party to comply with any of the provisions of the Lundy Agreement, where such failure has been communicated to the other party and a reasonable opportunity to cure the failure has been provided, or, in the case of termination by the Company, the death or incapacity of Mr. Swatton or conduct by Lundy including but not limited to a persistent failure to follow the directions of the Board, or any act of gross negligence or wilful misconduct; (iii) by the Company, at any time, without cause or reason, by written notice to Lundy. The amount of options to be granted to Lundy at any given time is determined by the Compensation Committee and recommended to the Board on an annual basis.

If the Company terminates the Lundy Agreement without cause or reason, the Company must pay Lundy the fees due to Lundy for three month following termination, or the remainder of the term of the Lundy Agreement, whichever is less, within ten business days from the date of termination.

In the event that during the term of the Lundy Agreement there was a successful take-over bid of the Company or a change of control in the Company resulting from a merger by way of an amalgamation or plan of arrangement or if any shareholder acquires in excess of 50% of the common shares of the Company, then Lundy at any time within 120 days of such event will be entitled to terminate the Lundy Agreement and to receive the aggregate cash compensation equivalent to two years payment of the cash compensation per the Lundy Agreement.

In addition, any options held by Mr. Swatton on the date of termination will be exercisable until the earlier of 90 days following such date and expiry of the option term.

### *Employment Agreement with Diamond Bay Enterprises Ltd. and Rory Moore*

The Company entered into an employment agreement on August 1, 2011 with Rory Moore and Diamond Bay Enterprises Ltd., a company wholly controlled by Dr. Moore, for services as President and CEO of the Company (the "**Moore Agreement**"). Pursuant to such contract, the Company paid Dr. Moore \$200,000 per annum for his services, however the parties thereto verbally agreed that compensation under the agreement would cease as of March 31, 2015. The Moore Agreement has an indefinite term. In the event that the Company terminated the Moore Agreement without cause, the Company must give 90 days prior notice and pay to Dr. Moore an amount equal to three month's base salary plus one additional month salary for every full year of service, subject to the Company having sufficient working capital to allow the Company to carry on its business for a period of 12 months from the date of Dr. Moore's termination. In addition, in the event that Dr. Moore's employment was terminated without

cause or if Dr. Moore resigns within nine months after a change of control (as defined in the Moore Agreement), Dr. Moore was entitled to receive an amount equal to 24 month's base salary, subject to the Company having sufficient working capital to allow the Company to carry on its business for a period of 12 months. As at the date hereof, the Moore Agreement is no longer in effect as Mr. Moore resigned from the Company on April 30, 2016.

**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.

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

The following table sets out, as of the end of the Company's financial year ended December 31, 2016, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))<sup>(1)</sup> (c)</b>
Equity compensation plans approved by securityholders	Nil	N/A	1,390,513
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>1,390,513</b>

Note:

(1) Based on 13,905,137 common shares of the Company issued and outstanding as at December 31, 2016. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is equal to 10% of the issued and outstanding common shares at the time of the option grant.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, executive officer, employee or former director, executive officer or employee or any of their respective associates or affiliates or any proposed nominee for election as a director of the Company is or has been at any time since the beginning of the last completed financial year, indebted to the Company or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company or any of its subsidiaries.

**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.

## **APPOINTMENT OF AUDITORS**

In accordance with National Instrument 51-102, "Continuous Disclosure Obligations – Change of Auditor", attached hereto as Schedule "C" is a Notice of Change of Auditor advising that the Company appointed Davidson & Company LLP as auditors of the Company to fill the vacancy caused by the resignation of Charlton & Company effective May 23, 2017, to hold office for the balance of the ensuing year. The Notice of Change of Auditor states that there have been no reservations in the auditors' reports for the two most recently completed fiscal year ends nor have there been any reportable events. The recommendation to appoint Davidson & Company LLP to fill the vacancy in the position of auditors was approved by the audit committee and the board of directors of the Company. Copies of letters from each of Davidson & Company LLP and Charlton & Company, stating their agreement with the information contained in the Notice of Change of Auditor, based on their knowledge of information regarding the Company at this time, are attached hereto as Schedule "C".

The management of the Company will recommend to the shareholders the appointment of Davidson & Company LLP as auditors of the Company and to authorize the directors to fix their remuneration. Davidson & Company LLP were first appointed auditors of the Company on May 23, 2017.

## **MANAGEMENT CONTRACTS**

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company, except as disclosed herein.

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

### **Continuation of Share Option Plan**

In accordance with the policy of the TSXV governing stock options, all issuers are required to adopt a share option plan pursuant to which stock options may be granted. As set out under the heading "Executive Compensation – Share Option Plan", the Company currently has a Plan as previously approved by the directors, and as also first approved by the shareholders of the Company at the Annual General and Special Meeting held on August 20, 2014. Some minor changes were made to the Plan as required by the TSXV respecting hold periods applicable to options granted to insiders or granted at a discounted market price, such amendments were approved by the Board of Directors on January 3, 2017 and accepted by the TSXV on January 17, 2017. The Plan complies with the requirements of TSXV Policy 4.4 for Tier 2 issuers. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital as at the date of grant. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

The TSXV policy requires that such Plans be approved by shareholders annually, at the company's annual general meeting. Continuation of the Plan will be subject to the approval of the shareholders of the Company and review and acceptance by the TSXV. For the principal features of the Plan, see "Executive Compensation – Share Option Plan".

A copy of the Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the Plan from the Company prior to the Meeting.

Accordingly, the shareholders of the Company will be requested at the Meeting to pass an ordinary resolution in the following terms:

“RESOLVED that:

1. the Company’s share option plan (the “Plan”), as described in the Information Circular of the Company dated May 23, 2017, be and is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange;
2. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding capital of the Company at the time of the grant; and
3. any one director or officer of the Company be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the continuation of the Plan.”

## **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.

## **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 Suite 1020 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 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.

DATED at Vancouver, British Columbia, this 23<sup>rd</sup> day of May, 2017.

APPROVED BY THE BOARD OF DIRECTORS

“Stephen Swatton”

Stephen Swatton

President and Chief Executive Officer

**SCHEDULE A**  
**to Information Circular of**  
**K2 Gold Corporation (May 23, 2017)**

**COMPENSATION COMMITTEE CHARTER**

**I. Mandate**

The mandate of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of K2 Gold Corporation ("K2 Gold " or the "Company") is to discharge the responsibilities of the Board relating to compensation of K2 Gold's officers and directors, to provide general oversight of K2 Gold's compensation structure including equity compensation plans and benefits programs and to perform the additional specific duties and responsibilities set out herein.

**II. Membership**

The Committee will consist of at least two members, a majority of whom will be independent directors of K2 Gold, and one of whom will act as chairperson. An "independent" director is a director who is independent, as determined by the Board, within the definitions prescribed for executive compensation committee members by applicable stock exchange listing standards, and applicable laws and, if applicable, U.S. Securities and Exchange Commission ("SEC") rules. Committee members will be appointed, and the Chairperson will be selected from among them, by the Board of Directors.

**III. Meetings and Procedures**

The Committee will meet as often as may be considered necessary or appropriate, in its judgment. The Committee may meet either in person or by telephone, and at such times and places as the Committee determines. At least two members of the Committee must be present to constitute a quorum for the transaction of Committee business. The Chairperson will preside over the meetings, but will have no greater voting rights or decision-making authority than the other member(s) of the Committee. The Committee will report regularly to the full Board with respect to its activities. As a matter of practice, the Committee will discuss significant matters, as determined by the Committee, with the full Board prior to taking final action on such matters.

All recommendations of the Committee with respect to the awarding of compensation to the executive (senior) officers of the Company will be submitted to the full Board for approval before implementation.

**IV. Outside Advisors**

The Committee will have the authority to retain, at the Company's expense, such outside consultants, legal counsel, and other advisors as it determines is appropriate to assist it in the full performance of its functions, including the authority to approve such advisors' fees and other engagement terms.

**V. Duties and Responsibilities**

**(a) Human Resources and Compensation Strategies.** The Committee will oversee and evaluate K2 Gold ' overall human resources and compensation structure, policies and

programs, with the objective of ensuring that these establish appropriate incentives and leadership development for management and other employees.

**(b) Executive Compensation.** The Committee will review and approve corporate goals and objectives relevant to the compensation of the President (the "President") and the Chief Executive Officer (the "CEO") and the other executive officers of K2 Gold, evaluate the performance of the President and the CEO and the other executive officers in light of those goals and objectives and approve their annual compensation levels, including salaries, bonuses, and stock option grants based on such evaluation.

**(c) Employment Agreements.** The Committee will review and approve all employment related agreements and severance arrangements for the President and the CEO and other executive officers, including, without limitation, change-of-control agreements.

**(d) External Reporting of Compensation Matters.** The Committee will prepare an annual report on executive officer compensation for publication in K2 Gold's proxy circulars, as required by the securities regulatory authorities having jurisdiction over the Company. The Chairperson of the Committee will make him or herself available for questions from shareholders of the Company at the Company's Annual General Meeting.

**(e) Stock Option and Incentive Compensation Plans.** The Committee will supervise and administer K2 Gold's stock option or any other equity-based compensation programs, and the incentive compensation plan, and may approve, amend, modify, interpret, ratify the terms of, or terminate any such plan, to the extent that such plans and applicable laws so permit, and will make recommendations to the Board with respect to equity-based plans and incentive-compensation plans as appropriate.

**(f) Employee Benefit Plans.** The Committee will monitor the effectiveness of benefit plan offerings, in particular benefit plan offerings pertaining to executive officers, and will review and approve any new employee benefit plan or change to an existing plan that creates a material financial commitment by K2 Gold. In its discretion, the Committee may otherwise approve, amend, modify, ratify, interpret the terms of, or terminate any benefit plan.

**(g) Leadership Development and Succession Planning.** The Committee will review the leadership development and succession planning processes for senior management positions and ensure that appropriate compensation, incentive and other programs are in place in order to promote appropriate leadership development.

**(h) Director Compensation.** The Committee will annually review the compensation of directors for service on the Board and its committees and recommend to the Board the annual Board member compensation package, including retainer, Committee member and Chair retainers, Board and Committee meeting attendance fees and any other form of compensation, such as stock option grants or stock awards.

**(i) Annual Evaluation.** The Committee will annually evaluate the performance of the Committee and the adequacy of the Committee's charter and recommend to the Board such changes as it deems appropriate.

**(j) General.** The Committee will perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

## **VI. Delegation**

The Committee may delegate any of the foregoing duties and responsibilities to one or more members of the Committee. In addition, the Committee may delegate to one or more executive officers of the Company the administration of equity incentive or employee benefit plans, unless otherwise prohibited by such plans, or applicable law or stock exchange rules. Any such delegation may be revoked by the Committee at any time.

**SCHEDULE "B"**  
**to Information Circular of**  
**K2 Gold Corporation (May 23, 2017)**

**THE AUDIT COMMITTEE'S CHARTER**

**PURPOSE**

The overall purpose of the Audit Committee (the "**Committee**") of K2 Gold Corporation (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. 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.
4. 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.
5. 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.
6. 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 necessary or advisable in order to perform its duties and responsibilities.
7. 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; and
  - c. management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. 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.

**ROLES AND RESPONSIBILITIES**

9. 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 fulfillment of its duties and responsibilities.
10. 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. to review with the external auditors, upon completion of their audit:
    - i. any non-audit services provided by the external auditors;
    - ii. to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - iii. to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
11. 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 compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - c. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - d. 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.
12. 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,
    - vii. 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. review the minutes of any audit committee meeting of subsidiary companies;
  - g. 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;
  - h. review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - i. develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
13. 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.

**SCHEDULE C**  
**to Information Circular of**  
**K2 Gold Corporation (May 23, 2017)**

**(See Below)**



A DISCOVERY GROUP COMPANY

1020 - 800 West Pender St., Vancouver, BC  
Vancouver, B.C., V6C 2V6

### NOTICE OF CHANGE OF AUDITOR

To: Davidson & Company LLP  
And to: Charlton & Company  
And to: The British Columbia Securities Commission  
And to: The Alberta Securities Commission  
And to: The Ontario Securities Commission  
And to: The TSX Venture Exchange

**TAKE NOTICE THAT** effective May 23, 2017, Charlton & Company, the current auditor of K2 Gold Corporation (the "Company") resigned as auditor at the Company's request. Management of the Company will fill the vacancy by appointing Davidson & Company LLP, as auditor of the Company.

#### TAKE FURTHER NOTICE THAT:

- (a) there have been no reservations contained in the auditor's reports on the annual financial statements of the Company for the two fiscal years immediately preceding the date of this notice or for any period subsequent to the most recently completed period for which an audit report was issued;
- (b) the resignation of Charlton & Company, and the appointment of Davidson & Company LLP was considered and approved by the board of directors of the Company; and
- (c) in the opinion of the Company, no reportable events (as defined in National Instrument 51-102) occurred. "Reportable Event" means disagreements or unresolved issues between the Company and Charlton & Company and consultations between the Company and Davidson & Company LLP.

Dated at Vancouver, British Columbia this 23<sup>rd</sup> day of May, 2017.

BY ORDER OF THE BOARD  
K2 GOLD CORPORATION

Per:

A handwritten signature in blue ink, appearing to read 'Stephen Swatten', written over a horizontal line.

Stephen Swatten  
President & Chief Executive Officer

p | 604.683.3277  
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE  
555 BURRARD STREET  
BOX 243  
VANCOUVER, BC V7X 1M9



charlton & company  
CHARTERED PROFESSIONAL ACCOUNTANTS

May 23, 2017

To: TSX Venture Exchange  
And to: The British Columbia Securities Commission  
And to: The Alberta Securities Commission  
And to: The Ontario Securities Commission

Dear Sirs/Mesdames:

**Re: K2 Gold Corporation (the “Company”)  
- Notice of Change of Auditor**

We have read the notice of change of auditor of the Company (the “Notice”) dated May 23, 2017 delivered to us pursuant to National Instrument 51-102. We report that with respect to the statements contained in the Notice, we are not aware of any inaccuracies contained in the Notice and that:

1. we have no basis to agree or disagree with the statement that the board of directors of the Company has considered and approved the resignation of Charlton and Company and the appointment of Davidson and Company LLP as successor auditor; and
2. we agree that there have been no “reportable events” as defined in National Instrument 51-102 or reservations contained in the financial statements prepared by us during the two most recently completed financial years of the Company.

Yours truly,

**CHARLTON & COMPANY**

A handwritten signature in blue ink that reads "Charlton &amp; Company".

Per: Signed “Robert G. Charlton”

May 23, 2017

**British Columbia Securities Commission**

PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Ontario Securities Commission**

20 Queen Street West, 19<sup>th</sup> Floor, Box 55  
Toronto Ontario  
M5H 3S8

**Alberta Securities Commission**

600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, AB  
T2P 0R4

**TSX Venture Exchange**

P.O. Box 11633  
Suite 2700 – 650 West Georgia Street  
Vancouver, BC  
V6B 4N9

Dear Sirs / Mesdames:

**Re: K2 Gold Corporation (the "Company")**  
**Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated May 23, 2017 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

*Davidson & Company LLP*

**DAVIDSON & COMPANY LLP**

Chartered Professional Accountants

**cc: TSX Venture Exchange**

