



# CANDENTE GOLD CORP

**NOTICE OF MEETING  
AND INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL MEETING OF  
CANDENTE GOLD CORP.**

**TO BE HELD ON THURSDAY, DECEMBER 14, 2017**

**DATED: OCTOBER 27, 2017**



**CANDENTE  
GOLD CORP**  
TSXV: CDG

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 14, 2017**

***Meeting Date, Location and Purposes***

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of holders of common shares of Candente Gold Corp. (“**Candente Gold**” or the “**Company**”) will be held on Thursday, December 14, 2017 (“**Meeting Date**”), at 10:00 a.m. (Pacific Time) at the offices of Gowling WLG (Canada) LLP, Suite 2300, 550 Burrard Street, Vancouver, British Columbia, for the following purposes:

1. to receive the report of the directors;
2. to receive the audited consolidated financial statements of the Company for the fiscal year ended March 31, 2017, and the auditors’ report thereon;
3. to fix the number of directors at five (5);
4. to elect the directors of the Company for the ensuing year;
5. to approve the Company’s 10% rolling Stock Option Plan;
6. to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing year and authorize the directors to fix its remuneration;
7. to transact such other business that may properly come before the Meeting and any adjournment thereof.

For detailed information with respect to each of the above matters, please refer to the sub-section bearing the corresponding title under “Particulars of Matters to be acted on at the Meeting” in the Information Circular.

Accompanying this Notice are the Information Circular, a form of Proxy (the “**Proxy**”), Voting Instruction Form (“**VIF**”) and a Financial Statements Request Form. The Information Circular provides additional information relating to the matters to be addressed at the Meeting. Candente Gold recommends that shareholders review the Information Circular before voting.

***Voting Process***

Registered Shareholders at the close of business on October 27, 2017, may vote in person at the Meeting or by proxy as follows:

*By telephone:* Call the toll-free number indicated on the Proxy form and follow the instructions. If you choose the telephone, you cannot appoint any person other than the officers named on the form of Proxy as your Proxy holder.

*On the internet:* Go to the website indicated on the Proxy form and follow the instructions on the screen. If you return your Proxy via the internet, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person’s name in the blank space provided on the form of Proxy. Complete your voting instructions and date and submit the form. Ensure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

*By mail:* Complete the form of Proxy and return it in the envelope provided. If you return your Proxy by mail, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided in the form of Proxy. Complete your voting instructions and date and sign the form. Ensure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

The deadline for receiving duly completed and executed forms of Proxy or submitting your Proxy by telephone or over the internet is by 10:00 a.m. (Pacific Time) on December 12, 2017, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting.

Non-Registered Shareholders may vote or appoint a Proxy using their voting instruction form at least one business day in advance of the Proxy deposit deadline noted on the form. Please follow the instructions of your intermediary, including those regarding when and where the Proxy or voting instruction form is to be delivered.

Dated at Vancouver, British Columbia this 27<sup>th</sup> day of October, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Joanne C. Freeze*” (signed)

Chief Executive Officer  
President and Director

**CANDENTE GOLD CORP.**  
Suite 1100, 1111 Melville Street  
Vancouver, B.C., Canada V6E 3V6  
Telephone: (604) 689-1957; Facsimile: (604) 685-1946;  
Email: [info@candentegold.com](mailto:info@candentegold.com)

**MANAGEMENT INFORMATION CIRCULAR**  
(Containing information as at **October 27, 2017**, except as indicated otherwise)

**SOLICITATION OF PROXIES**

Candente Gold Corp. (“**Candente Gold**” or “**Company**”) is providing this information circular (the “**Information Circular**”) in connection with management’s solicitation of proxies for use at the annual general meeting of the Company (the “**Meeting**”) (and any adjournment thereof) to be held on **Thursday, December 14, 2017**, at the time and place and for the purposes set forth in the accompanying Notice of Meeting (“**Notice of Meeting**”). Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included.

The solicitation of proxies (in the accompanying form of proxy (the “**Proxy**”) will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the capital of the Company (“**Common Shares**”) held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

The Company has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting, Proxy and/or voting information form (“**VIF**”) and a financial statement request form directly to its registered shareholders (“**Registered Shareholders**”) and its beneficial shareholders (“**Beneficial Shareholders**”).

**APPOINTMENT OF PROXYHOLDERS**

The individuals named (“**Management Nominees**”) in the 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 or her at the Meeting has the right to do so, either by striking out the names of those persons named in the Proxy and inserting the desired person’s name in the blank space provided in the Proxy or by completing another Proxy. A Proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (“Computershare” or the “Transfer Agent”), Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

**REVOCABILITY OF PROXIES**

A Registered Shareholder of Common Shares 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 Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (Attention: Brett Kagetsu), at any time up to and including the last business day preceding the day 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.

**EXERCISE OF DISCRETION**

The Common Shares represented by a properly executed Proxy in favour of Management’s Nominees in the Proxy will be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken and where a choice with respect to any matter to be acted upon has been specified in the

Proxy, be voted in accordance with the specification made in such Proxy. **ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR FOR WHICH BOTH CHOICES HAVE BEEN SPECIFIED, BY THE REGISTERED SHAREHOLDER.**

**The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.**

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting but, if any amendment, variation or other matter properly comes before the Meeting, each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee's best judgment.

## **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by mail or by hand to the Proxy Dept., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;
- (c) using the Internet via the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (d) using a Smartphone, scan the QR codes on the Proxy,

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

## **BENEFICIAL (NON-REGISTERED) SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular, collectively, as "Beneficial Shareholders") should note that only Proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc.; and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person in accordance with the procedures outlined in this section.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied

to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of Proxy provided to a Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares its own machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return those forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. That voting instruction form must be returned to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by telephone), well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.**

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provision of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of Proxy-related materials directly (not via Broadridge) to such NOBOs.

Meeting materials sent to Beneficial Shareholders who have not waived their right to receive Meeting materials are accompanied by a request for a VIF. This form is provided instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” (VIF) THAT RELATES TO THIS INFORMATION CIRCULAR.**

#### **RECORD DATE AND VOTING SECURITIES**

The Company has set the close of business on **Friday, October 27, 2017**, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only the Registered Shareholders are entitled to receive notice of and to vote at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

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

The Company is authorized to issue an unlimited number of Common Shares, of which 107,206,923 were issued and outstanding as at the date hereof. Persons who are Registered Shareholders at the close of business on **Friday**,

**October 27, 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, the only person or corporation that beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to any class of voting securities of the Company is as follows:

<i>Shareholder Name</i>	<i>Number of Common Shares Held</i>	<i>Percentage</i>
Hans von Michaelis	13,307,333 <sup>(1)</sup>	12.41%

Note:

- (1) Of these Common Shares, 6,133,166 Common Shares are held by Michaelis LLC and 6,133,167 Common Shares are held by Miramontes LLC, both companies controlled by Mr. von Michaelis.

For information concerning the Company's incorporation particulars, corporate structure, business history and description, and projects, please refer to the Company's public filings available both on the Company's profile at [www.sedar.com](http://www.sedar.com) ("SEDAR") and on the Company's website at [www.candentegold.com](http://www.candentegold.com).

### **FIXING THE NUMBER OF DIRECTORS**

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The board of directors ("the **Board**") proposes that the number of directors be fixed at five (5). Shareholders will, therefore, be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

### **ELECTION OF DIRECTORS**

The term of office of each of the current directors expires at the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

**Unless holders provide other instructions, the enclosed Proxy will be voted for the nominees listed below, all of whom are presently members of the Board of Directors.** Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the Common Shares represented by the Proxy for the election of any other person or persons as directors.

The following table and notes include the names of each person proposed to be nominated by management for election as a director (a "**proposed director**"), the province or state and country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the period of time for which he or she has been a director of the Company, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

<b>Name, Province or State and Country of Residence and Position <sup>(1)</sup></b>	<b>Present Principal Occupation <sup>(1)</sup></b>	<b>Date of Appointment/ Election as a Director</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed</b>
Joanne C. Freeze, P.Ge. British Columbia, Canada <i>President, CEO and Director</i>	Professional Geoscientist. CEO, President and Director of the Company, CEO and Director of Candente Copper Corp. <sup>(6)</sup>	April 24, 2009	117,600 <sup>(2)</sup> 5,244,552 <sup>(3)(7)</sup>

Name, Province or State and Country of Residence and Position <sup>(1)</sup>	Present Principal Occupation <sup>(1)</sup>	Date of Appointment/Election as a Director	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed
Larry D. Kornze, P.Eng. <sup>(5)</sup> Idaho, USA <i>Independent Director</i>	Independent Director of the Company. Professional Engineer in B.C. Former Independent Director of Candente Copper Corp. <sup>(6)</sup> from 2002 until 2009.	May 12, 2009	383,000 <sup>(2)</sup>
Dr. Kenneth G. Thomas, P.Eng., F.C.I.M. <sup>(4)(5)</sup> Ontario, Canada <i>Independent Director</i>	Director of Continental Gold Corporation since June 2015 and Avalon Rare Metals since February 2014. Professional Engineer in Ontario, Canada.	December 5, 2012	500,001 <sup>(2)</sup>
Paul H. Barry <sup>(4)(5)</sup> North Carolina, USA <i>Chair, Independent Director</i>	Executive Vice President, Strategy and Corporate Development, Hydro One Ltd.; Formerly, an Executive Vice President & Chief Financial Officer of Kinross Gold Corporation, and a Senior Vice-President and Chief Financial Officer of Pepco Holdings, Inc.	May 12, 2014	2,504,043 <sup>(2)</sup>
Ian Ward, P. Eng Ontario, Canada <i>Independent Director</i>	Director of Canadian Zinc Corporation. Formerly, a Vice President of Metallurgy of Kinross Gold Corporation.	February 6, 2017	Nil

Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Common Shares beneficially owned, directly.
- (3) Common Shares beneficially owned, indirectly.
- (4) Member of the Audit Committee. Mr. Paul Barry is the Chair of the Audit Committee.
- (5) Member of the Compensation and Governance Committee. Dr. Kenneth G. Thomas is the Chair of the Compensation and Governance Committee.
- (6) Denotes publicly traded company.
- (7) Of this total, 534,552 shares are held by Freeze Family Holdings Ltd. and 4,710,000 shares are held by Ridley Rocks Inc., both companies controlled by Ms. Freeze.

To the knowledge of the Company, no director or proposed director (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
  - (i) was the subject to an order that was issued while the proposed director was acting in the capacity of director, CEO or CFO of such company; or
  - (ii) was subject to an order 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 of director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; 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 security holder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### *Named Executive Officers*

For the purposes of this Information Circular, a “Named Executive Officer” (“NEO”), means each of the following individuals:

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the three most highly compensated executive officers of the Company, including any subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the March 31, 2017, financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at March 31, 2017.

During the financial year ended March 31, 2017, the Company had two NEOs - Joanne C. Freeze, CEO & President, and Faisal Hussein, CFO.

### *Compensation Governance*

The Compensation and Governance Committee discharges the Board’s responsibilities relating to compensation of the Company’s executive officers. Among other things, the Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the CEO, senior officers and other key employees and for recommending compensation for Directors.

The Compensation and Governance Committee performs any other duties or responsibilities delegated to the Compensation and Governance Committee by the Board from time to time.

### **Responsibilities of the Compensation and Governance Committee**

- (a) The Compensation and Governance Committee has the authority to engage and terminate independent legal, accounting or other advisors or consultants.
- (b) The Company provides for appropriate funding, as determined by the Compensation and Governance Committee, for payment of compensation to any consultants or other advisors employed by the Compensation and Governance Committee, provided however that such funding will not exceed \$25,000 annually without the prior approval of the Board.
- (c) The Compensation and Governance Committee has the authority to engage and terminate compensation consultants to assist in the evaluation of Director or executive officer compensation and, subject to paragraph (b) above, the authority to approve the fees and other retention terms of such compensation consultants.

- (d) The Compensation and Governance Committee reviews and assesses the adequacy of its Charter periodically and recommends any proposed changes to the Board for approval.
- (e) The Compensation and Governance Committee annually reviews its own performance.

### ***Reporting***

The Compensation and Governance Committee prepares any report relating to compensation required by the rules of the applicable stock exchange(s) and the securities commission(s) and reports on its activities to the Board.

### ***Establishment of Executive Compensation policies and programs***

- (a) The Committee reviews all compensation arrangements for the CEO and other executive officers of the Company including salaries, bonus, incentive compensation and equity-based compensation plans, and makes recommendations to the Board for their approval.
- (b) Without limiting the foregoing, the Committee reviews all proposed employment and retention agreements with any executive officer of the Company, as well as severance agreements that provide benefits in excess of those set forth in any severance and termination plans previously approved by the Committee or the Board.

### ***Membership***

The Compensation and Governance Committee members currently are: Messrs. Kenneth G. Thomas, Larry D. Kornze, and Ian Ward, all of whom are independent directors. The Compensation and Governance Committee has previous experience in, among other things, evaluating overall compensation policies, plans and practices as well as setting compensation for executive officers, overseeing and administering equity compensation plans and establishing employment, retention and severance arrangements for executive officers.

### ***Option-based Awards***

At the end of each reporting period the Company's management reviews the performance of its NEOs during the year, against corporate and personnel goals that management has control over, to determine whether the Company should grant (share-based) option-based awards. Management then, proposes awards to the compensation committee. The Compensation Committee then reviews management's recommendations and passes a resolution recommending to the Board that options be granted to the Company's management. The Compensation Committee also plays an active role in reviewing existing equity incentive plans, under which option-based awards are granted.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### ***Compensation Discussion and Analysis***

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for the fiscal year ended March 31, 2017, and prior fiscal years has historically been based upon a negotiated salary or consulting fee, with stock options and bonus potentially being issued and paid as an incentive for performance. In each year the Compensation and Governance Committee reviews the salary, bonus, stock options and other direct or indirect benefits for Management, considering all relevant matters including the goals of the Company and the effectiveness of management in achieving those goals, the skill, qualifications and level of responsibility of Management and compensation provided by comparative companies. Based on these factors, the Compensation and Governance Committee then makes recommendations to the Board.

In each year the Compensation and Governance Committee reviews management performance against corporate and individual goals set for the year. In taking into account corporate performance, it is recognized that many factors are beyond the control of management, such as foreign exchange, interest rates and metal prices. As a result, goals are based more on factors over which management can exercise control, such as advancement of the Company's projects, actual operating and capital expenditure costs as compared to budget and improvement of relationships with suppliers,

Shareholders and partners. The Compensation and Governance Committee has not formally considered the implications of the risks associated with the Company's compensation policies and practices.

As the Compensation and Governance Committee assessed management's performance for the fiscal year ended March 31, 2017, it took into consideration the objectives of executive compensation related to the annual incentive bonus and the Company's stock option plan (the "**Option Plan**").

The Company's Option Plan was established to provide incentives to qualified persons to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers each year, the Board takes into account the number of options, if any, previously granted to each executive officer, and the performance of that officer to the date options are granted each year. The Option Plan is the sole long term component of management compensation, and we believe helps ensure that compensation is closely aligned with Shareholder interests.

The Company has not placed a restriction on the purchase by its NEOs or other employees of 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 the market value of equity securities granted as compensation or held, directly or indirectly by the NEO or employee. To the Company's knowledge, none of the NEOs have purchased any such financial instruments.

#### Summary Compensation Table

The following table sets forth all direct and indirect compensation, paid or payable, in connection with, services provided to the Company for the three most recently completed financial years ending **March 31, 2017, March 31, 2016, and March 31, 2015**, in respect to the NEOs of the Company:

**Summary Compensation Table  
for financial years ending March 31, 2017, 2016 and 2015**

Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$) <sup>(4)</sup>	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans <sup>(3)</sup>			
Joanne C. Freeze President, CEO & Director	2017	Nil	Nil	48,300	Nil	Nil	Nil	50,972	99,272
	2016	Nil	Nil	Nil	Nil	Nil	Nil	71,505 <sup>(5)</sup>	71,505
	2015	20,000	Nil	14,115	Nil	Nil	Nil	173,750 <sup>(5)(6)</sup>	207,865
Faisel Hussein CFO <sup>(7)</sup>	2017	Nil	Nil	27,370	Nil	Nil	Nil	26,709	54,079
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	913	Nil	Nil	Nil	Nil	913
G. Cameron Dong Former CFO <sup>(8)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	Nil	Nil	1,223	Nil	Nil	Nil	11,900 <sup>(8)</sup>	13,123

Notes:

- (1) Fiscal years ending March 31, 2017, 2016, and 2015.
- (2) Option based awards are calculated using the Black Scholes pricing model for options vesting in the financial year based on the following assumptions: Dividend yield 0%; risk-free interest rate 1.52% - 1.62%; volatility range 98%; expected life 5 years; and forfeiture rate 2.50%. This is consistent with the Company's methodology for measuring and expensing stock-based compensation. These figures do not represent actual cash outlays by the Company.
- (3) The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its NEOs, but may award discretionary bonus payments from time to time.
- (4) The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (5) For fiscal years ending March 31, 2016 and 2015, amounts denoted were primarily accrued and not paid in cash; some or all of these accrued amounts are payable to Ridley Rocks Inc. and were subsequently written down after the fiscal year ended.
- (6) Paid to Ridley Rocks Inc. of which Ms. Freeze is the principal. Ms. Freeze's services are provided pursuant to a consulting services agreement dated January 1, 2010 (the "**RRI Agreement**") and an employment agreement dated January 1, 2010 (the "**JF Agreement**") as described under "Termination and Change of Control Benefits".

- (7) Faisal Hussein was appointed Chief Financial Officer on March 19, 2015.  
(8) Paid to CJ Dong Consulting of which Mr. G. Cameron Dong is the principal. Mr. Dong's services are provided pursuant to a consulting services agreement dated November 28, 2013. Mr. Dong ceased acting as Chief Financial Officer on March 17, 2015.

## INCENTIVE PLAN AWARDS

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

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the NEOs.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value <sup>(2)</sup> of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value <sup>(1)</sup> of Share-Based Awards That Have Not Vested (\$)
Joanne C. Freeze President, CEO & Director	1,500,000	\$0.05	May 20, 2026	Nil	Nil	Nil
	600,000	\$0.10	August 27, 2019	Nil	Nil	Nil
	200,000	\$0.25	February 15, 2018	Nil	Nil	Nil
Faisal Hussein CFO <sup>(2)</sup>	850,000	\$0.05	May 20, 2026	Nil	Nil	Nil
	100,000	\$0.10	September 10, 2019	Nil	Nil	Nil

Notes:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options at March 31, 2017, and the exercise price of the options. On March 31, 2017, the closing price for the Common Shares was \$0.045.  
(2) Mr. Hussein was appointed Chief Financial Officer on March 19, 2015.

### *Incentive Plan Awards - Value Vested or Earned During the Year*

The values vested or earned during the most recently completed financial year of incentive plan awards granted to the Company's NEOs is presented below:

Name	Option-Based Awards - Value Vested During The Period (\$) <sup>(1)</sup>	Share-Based Awards - Value Vested During The Period (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Period (\$)
Joanne C. Freeze President, CEO & Director	Nil	Nil	Nil
Faisal Hussein CFO	Nil	Nil	Nil

Notes:

- (1) The Company did not grant any stock options to NEOs during the most recent completed financial year.

### *Pension Plan Benefits*

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

### **Termination And Change Of Control Benefits**

The Company and its subsidiaries have no employment contracts with any NEOs, any contract, agreement, plan or arrangement that provides for payments to the NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or a change in the NEOs' responsibilities, except as follows:

Pursuant to the RRI Agreement made as of April 1, 2014, between the Company and Ridley Rocks Inc. ("**RRI**", a company in respect of which Ms. Joanne Freeze, the Company's President and CEO, is the principal), the Company has agreed to pay RRI a daily fee for services rendered by RRI to the Company. The RRI Agreement also contains a provision for the potential payment of an annual bonus (the "**Target Bonus**") to be determined by the Company's Compensation Committee. The Target Bonus has initially been set at the amount of \$50,000. Both the Target Bonus and the daily fee are subject to adjustment on an annual basis. On a "change of control" of the Company, at any time to the date that is sixty (60) days following the date of the change of control, either the Company or RRI may terminate the RRI Agreement, in which case the Company is required to make a payment to RRI that is equal to three times the amount that is the sum of the following (including all applicable taxes):

- (a) all remuneration paid or due to RRI and Joanne Freeze by the Company during the twelve (12) month period immediately preceding the date of the change of control;
- (b) all remuneration paid or due to RRI by the Candente Copper Corp. during the twelve (12) month period immediately preceding the date of the change of control;
- (c) all remuneration paid or due to RRI by the Cobriza Metals Corp. during the twelve (12) month period immediately preceding the date of the change of control; and
- (d) the Target Bonus (currently \$50,000).

The Company may terminate the RRI Agreement in any other circumstance on 12 months' notice to RRI.

Pursuant to the JF Agreement made as of January 1, 2010, between the Company and Ms. Freeze, the Company agreed to pay to Ms. Freeze an annual salary of \$50,000 (the "**JF Salary**"), subject to adjustment each year. The JF Agreement also contains a provision for the potential payment of an annual bonus to be determined by the Company's Compensation and Governance Committee and based upon the Company meeting certain key criteria and corporate milestones during the year. The Company may terminate the JF Agreement on 12 months' notice to Ms. Freeze.

For each of the above agreements, a "change of control" is defined as the election or appointment of a majority of new directors of the Company or the acquisition by any person or by any person and such person's affiliates or associates, as such terms are defined in the *Securities Act* (British Columbia), and whether directly or indirectly, of Common Shares which, when added to all other Common Shares at the time held by such person and such person's affiliates and associates, totals for the first time, fifty (50%) percent or more of the outstanding Common Shares.

If a severance payment triggering event had occurred on **March 31, 2017**, the severance payments that would be payable to each of the NEOs and Ridley have been approximately as follows:

Name	Termination by the Company for any reason other than cause and unrelated to "Change of Control" of the Company (estimated) (\$)	Termination by the Company without cause after a "Change of Control" of the Company (estimated) (\$)
RRI (Joanne Freeze)	Nil	200,000
Faisal Hussein	Nil	Nil

### **COMPENSATION DISCUSSION AND ANALYSIS**

The Company does not have a formal compensation program. However, the administration of the Company's compensation mechanisms is handled by the Compensation and Governance Committee (the "**Compensation and**

**Governance Committee**) of the Board of the Company. The general mandate of the Compensation and Governance Committee is to examine matters relating to the compensation of the directors and executive officers of the Company with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. In accordance with the mandate, the Compensation and Governance Committee meets to discuss and determine the recommendations that it will make to the Board regarding management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate Management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align Management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Compensation and Governance Committee considers and evaluates executive compensation levels on an annual basis against available information for "peer group" companies, which are principally comprised of "junior mineral exploration" companies, to ensure that the Company's executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation and Governance Committee primarily looks for public companies that are comparable in terms of business and size.

Currently, the principal components of the Company's executive compensation packages are base remuneration, long-term incentive in the form of stock options, and a discretionary annual incentive cash bonus. The Company targets base remuneration, bonuses, and option based awards towards the upper range relative to peer companies for similarly experienced executives performing similar duties. Generally, awards are made within this range, although compensation is awarded above or below in cases of exceptional or poor corporate and/or individual performance or other individual factors relating to a NEO. The Company benchmarks against upper compensation because benchmarking allows the Company to attract and retain executives, provides an incentive for executives to strive for better than average performance to earn better than average compensation and helps the Company to manage the overall cost of management compensation.

While the Compensation and Governance Committee believes that it is important to use benchmarking data to assist it in determining appropriate ranges for executive compensation, it also considers other factors when awarding executive compensation such as the overall financial strength of the Company, its exploration successes, and equity financing success.

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the NEO; current and expected future performance of the NEO; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's Option Plan and the TSX Venture Exchange. The Company considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under "Incentive Plan Awards".

Finally, the Compensation and Governance Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the NEOs and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts.

Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

### ***Director Compensation***

The following table sets forth all amounts of compensation provided to directors who served in that capacity and were not NEOs for any part of the Company's most recently completed financial year.

#### ***Director Compensation Table***

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Option-Based Awards (\$)<sup>(1)</sup></b>	<b>All Other Compensation<sup>(2)(3)</sup></b>	<b>Total (\$)</b>
Larry D. Kornze	Nil	Nil	Nil	Nil
Andres J. Milla Comitre <sup>(4)</sup>	Nil	Nil	Nil	Nil
Kenneth G. Thomas	Nil	Nil	Nil	Nil
Paul H. Barry	Nil	Nil	Nil	Nil
Ian Ward <sup>(5)</sup>	Nil	Nil	Nil	Nil

Notes:

- (1) The Company did not grant any stock options during the most recent completed year end.
- (2) The Company does not currently have a formal annual incentive plan or long-term incentive plan for any of its directors, including its NEOs, but may award discretionary bonus payments from time to time.
- (3) The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (4) Mr. Milla resigned as a director of the Company on February 3, 2017.
- (5) Mr. Ward was appointed as a director of the Company on February 6, 2017.

As described in the preceding table, the directors are compensated for acting in their capacity as directors, for committee participation, involvement in special assignments and for services as consultant or expert.

### **Schedule of Directors' Fees**

The fees payable to the directors of the Company are for their services as directors and as members of committees of the Board are based on peer group comparables and are as follows:

<b>Board or Committee Name</b>	<b>Annual Retainer<sup>(1)</sup></b>	<b>Annual Chair Retainer<sup>(1)</sup></b>
Board of Directors	\$18,000	\$6,000
Audit Committee	\$2,500	\$6,000
Compensation and Governance Committee	N/A	\$3,000
Technical Advisory Team	N/A	\$3,000

Note:

- (1) Payable only when the Company's market capitalization exceeds \$75 million. No additional fees paid for attendance at meetings.

### ***Incentive Plan Awards - Outstanding Option-Based Awards***

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors of the Company who were not NEOs, during the most recently completed financial year.

Director Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)
Larry D. Kornze	250,000	0.05	May 20, 2026	Nil
	250,000	0.10	August 27, 2019	Nil
	150,000	0.25	February 15, 2018	Nil
Andres J. Milla Comitre <sup>(2)</sup>	250,000	0.05	May 20, 2026	Nil
	300,000	0.10	August 27, 2019	Nil
	150,000	0.25	February 15, 2018	Nil
Kenneth G. Thomas	250,000	0.05	May 20, 2026	Nil
	250,000	0.10	August 27, 2019	Nil
	250,000	0.25	December 5, 2017	Nil
Paul H. Barry	250,000	0.05	May 20, 2026	Nil
	300,000	0.10	August 27, 2019	Nil
Ian Ward <sup>(3)</sup>	250,000	0.05	February 28, 2027	Nil

Note:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options at March 31, 2017, and the exercise price of the options. On March 31, 2017, the closing price for the Company's shares was \$0.045.
- (2) Mr. Milla resigned as a director of the Company on February 3, 2017.
- (3) Mr. Ward was appointed as a director of the Company on February 6, 2017.

#### ***Incentive Plan Awards - Value Vested or Earned During the Year***

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not NEOs is presented below. Option based awards are calculated using the Black Scholes pricing model for options vested in the period. This is consistent with the Company's methodology for measuring and expensing stock-based compensation. These figures do not represent actual cash outlays by the Company.

Director Name	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 (\$)
Larry D. Kornze	Nil	N/A	N/A
Andres J. Milla Comitre <sup>(2)</sup>	Nil	N/A	N/A
Kenneth G. Thomas	Nil	N/A	N/A
Paul H. Barry	Nil	N/A	N/A
Ian Ward <sup>(3)</sup>	Nil	N/A	N/A

Note:

- (1) Value vested during the year is calculated by subtracting the market price of the Common Shares on the date the option vested (being the closing price of the Common Shares on the TSX Venture Exchange on the last trading day prior to the vesting date) from the exercise price of the option.
- (2) Mr. Milla resigned as a director of the Company on February 3, 2017.
- (3) Mr. Ward was appointed as a director of the Company on February 6, 2017.

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

##### ***Equity Compensation Plan Information***

The following table summarizes relevant information as of March 31, 2017, with respect to compensation plans under which equity securities 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)) (c)</b>
Equity compensation plans approved by securityholders	9,390,000	\$0.09	1,330,692
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>9,390,000</b>	<b>\$0.09</b>	<b>1,330,692</b>

As of the date of this Information Circular, October 27, 2017, there are outstanding options to purchase a total of 9,390,000 Common Shares representing approximately 8.76% of the total (107,206,923) issued and outstanding Common Shares. There remain 1,330,692 Common Shares available for future issuance under the Company's Option Plan representing approximately 1.24% of the total (107,206,923) issued and outstanding Common Shares.

## **STOCK OPTION PLAN**

On July 27, 2015, the Company transferred the listing of the Common Shares from the TSX to the TSX Venture Exchange, and in connection with such transfer, the TSX Venture Exchange required the Company to make significant changes to its then existing stock option plan (the “**Old Option Plan**”) to comply with requirements set forth in TSX Venture Exchange policies. On August 17, 2015, the Board approved a new 10% rolling stock option plan (the “**Stock Option Plan**”) that incorporated TSX Venture Exchange requirements and replaced the Old Option Plan. The Stock Option Plan was last approved by Shareholders on October 21, 2016. Under Policy 4.4 of the TSX Venture Exchange, "rolling" stock option plans must receive approval of the shareholders on a yearly basis. Accordingly, Shareholders will be asked at the Meeting to pass an ordinary resolution approving the Stock Option Plan.

The following is a brief description of the material provisions of the Stock Option Plan, and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting the Company.

*Administration:* The Stock Option Plan is administered by the Board or by a committee of two or more directors who may be designated from time to time to serve as the committee for the Stock Option Plan. Subject to the limitations of the Stock Option Plan, the Board has full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver option agreements and bind the Company accordingly, to interpret the Stock Option Plan and to adopt such rules, regulations and guidelines for carrying out the Stock Option Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Stock Option Plan.

*Total number of securities issuable and securities issued under the Stock Option Plan:* The maximum aggregate number of Common Shares reserved for issuance pursuant to the exercise of options granted under the Stock Option Plan is 10% of the outstanding Common Shares as at the date of a stock option grant. If any option subject to the Stock Option Plan is forfeited, expires, is terminated or is cancelled for any reason other than by reason of exercise, then the maximum number of Common Shares for which options may be granted must be increased by the number of Common Shares which were the subject of such forfeited, expired, terminated or cancelled option. The maximum number of Common Shares must be appropriately adjusted in the event of a subdivision or consolidation of the Common Shares.

*Option Exercise Price:* The exercise price per Common Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX Venture Exchange on the trading day immediately preceding the day on which the option is granted, less any allowable discount (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the

simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used) and, in any event, the exercise price per Common Share will not be less than \$0.10, being the minimum exercise price allowable under the policies of the TSX Venture Exchange. Subject to TSX Venture Exchange approval, the exercise price per optioned share under an option may be reduced at the discretion of the administrator if (i) prior TSX Venture Exchange approval is obtained and at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended; and (ii) disinterested shareholder approval is obtained for any reduction in the exercise price under an option held by an insider of the Company at the time of the proposed reduction; provided that if the exercise price is reduced to the then discounted market price (as defined by policies of the TSX Venture Exchange), the TSX Venture Exchange four month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made in the event of any subdivision or consolidation of the Common Shares.

*Tax Withholding:* The Stock Option Plan establishes that the Company shall have the right to withhold from any amount payable to an optionee such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards under the Stock Option Plan. The Company shall also have the right in its discretion to satisfy any liability for any withholding obligations by selling, or causing a broker to sell, on behalf of any participant such number of Common Shares issued to the participant pursuant to an exercise of options under the Stock Option Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the participant under the Stock Option Plan. The Company may require a participant, as a condition to exercise of an option, to make such arrangements as the Company may require so that the Company can satisfy applicable withholding obligations, including, without limitation: (i) requiring the participant to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the participant to reimburse the Company for any such withholding obligations; or (iii) causing a broker who sells such shares on behalf of the participant to withhold from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company.

*Eligible participants under the Stock Option Plan:* Options may be granted to:

- (a) a director of the Company;
- (b) a senior officer of the Company;
- (c) an employee of the Company, which is an individual who (i) is considered an employee of the Company or its subsidiary under the *Income Tax Act (Canada)* (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source); (ii) works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or (iii) works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (d) a management company employee, which is an individual employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities (as defined by the policies of TSX Venture Exchange);
- (e) a consultant to the Company and its affiliates (as defined by the policies of TSX Venture Exchange), which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, senior officer, management company employee or director of the Company that (i) is engaged to provide on an ongoing bona fide basis, consulting, technical management or other services to the Company or its affiliate other than services provided in relation to a distribution of securities; (ii) provides the services under a written contract between the Company or its affiliate and the individual or the consultant company; (iii) in the reasonable

opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or its affiliate; and (iv) has a relationship with the Company or its affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;

- (f) an issuer all the voting securities of which are owned by such persons,

who are in the opinion of the administrator in a position to contribute to the success of the Company or any of its subsidiaries or who, by virtue of their service to the Company or any of its subsidiaries, are in the opinion of the administrator, worthy of special recognition.

*The maximum percentage of Common Shares that insiders are entitled to receive under the Stock Option Plan:* Unless the Company obtains “disinterested shareholder” approval in accordance with the policies of the TSX Venture Exchange:

- (a) the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the Stock Option Plan; and
- (b) the maximum aggregate number of options granted to insiders of the Company under the Stock Option Plan within a 12-month period,

may not exceed 10% of outstanding Common Shares at the time of grant.

*The maximum percentage of Common Shares that any one individual is entitled to receive under the Stock Option Plan:* Unless the Company obtains “disinterested shareholder” approval in accordance with the policies of the TSX Venture Exchange, the maximum aggregate number of Common Shares that may be reserved under the Stock Option Plan for issuance to any one person (and any companies wholly-owned by that person), in any 12-month period must not exceed 5% of the outstanding Common Shares at the time of grant.

*The maximum percentage of Common Shares that any one consultant is entitled to receive under the Stock Option Plan:* The maximum aggregate number of Common Shares that may be reserved under the Stock Option Plan for issuance to any one consultant during any 12-month period must not exceed 2% of the outstanding Common Shares at the time of grant.

*The maximum percentage of Common Shares that persons retained to provide investor relations activities are entitled to receive under the Stock Option Plan:* The maximum aggregate number of Common Shares that may be reserved during any 12-month period under the Stock Option Plan for issuance to all persons retained to provide investor relations activities, as that term is defined by the policies of the TSX Venture Exchange, must not exceed 2% of the outstanding Common Shares at the time of grant.

*Vesting of Options:* Subject to the policies of the TSX Venture Exchange, an option shall vest and may be exercised (in each case to the nearest full Common Share) during the option period in accordance with any vesting schedule as the Board may determine from time to time in its sole discretion. The vested portions of options will be exercisable, in whole or in part, at any time after vesting. If an option is exercised for fewer than all of the Common Shares for which the option has then vested, the option shall remain in force and exercisable for the remaining Common Shares for which the option has then vested, according to the terms of such option. Options issued to persons retained to provide investor relations activities will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may be vested in any 3 month period.

*Terms of Options:* The option period for an option shall be determined by the administrator at the time the option is granted and may be up to 10 years from the date the option is granted. At the time an option is granted, the administrator may determine that, with respect to that option, upon the occurrence of an optionee ceasing to be a director, senior officer, employee, management company employee, or consultant of the Company for any reason excluding termination for cause or death or on account of disability, there shall come into force a time limit for exercise of such option which is different than the option period, and in the event of such a determination, the option agreement for such option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum option period provided for under the Stock Option Plan and subject to applicable regulatory

requirements and approvals, the administrator may extend the option period of an outstanding option beyond its original expiration date (whether or not such option is held by an insider), provided such option has been outstanding for at least one year prior to such extension. If such expiry of the option period falls within a blackout period, the expiry of the option shall automatically be extended to the date which is 10 business days after the expiry of the blackout period, provided that the optionee or the Company is not subject to a cease trading order, or similar order under securities laws, in respect of the Company's securities.

*Causes of cessation of entitlement:* In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reasons of such optionee's termination for cause, the option shall terminate and shall cease to be exercisable upon such termination for cause. In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee's disability, any options held by such optionee that could have been exercised immediately prior to such cessation shall be exercisable by such optionee, or by his or her guardian, for a period of 30 days following the date of such cessation (if such optionee dies within that 30 day period, any option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the qualified successor of such optionee, and shall be exercisable by the qualified successor until the earlier of 30 days following the death of such optionee and the expiry of the option period). In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee's death, any options held by such optionee shall pass to the qualified successor of the optionee and shall be exercisable by such qualified successor until the earlier of one year following the date of such death and the original expiry date of such option.

*Assignability of Options:* Neither the options nor the benefits and rights of any optionee under any option or under the Stock Option Plan shall be assignable or otherwise transferable, except as specifically provided under the Stock Option Plan in the event of the death or disability of an optionee. During the lifetime of the optionee, all options may only be exercised by the optionee.

*Amendment or termination of the Stock Option Plan:* The Board reserves the right to amend or terminate the Stock Option Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Stock Option Plan without the consent of the optionee. Any amendment to the Stock Option Plan shall also be subject to acceptance of such amendment or amended plan for filing by the TSX Venture Exchange and, where required by the TSX Venture Exchange, the approval of the Shareholders.

*Adjustments:* Following the date an option is granted, the exercise price for and the number of Common Shares which are subject to an option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out under the Stock Option Plan, with the intent that the rights of optionees under their options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. If the outstanding Common Shares are changed into or exchanged for a different number of Common Shares or into or for other securities of the Company or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the option which occurs following such events, for each optioned share for which the option is exercised, the optionee shall instead receive the number and kind of shares or other securities of the Company or other company into which such Common Share would have been changed or for which such Common Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the option is preserved.

Shareholders will be asked at the Meeting to pass the following ordinary resolution:

**“BE IT RESOLVED THAT the Stock Option Plan is hereby confirmed, ratified and approved.”**

**In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the approval and confirmation of the Stock Option Plan.**

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

At any time during the Company's last completed financial year, no director, executive officer or employee or proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries, or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## **APPOINTMENT OF AUDITOR**

Dale Matheson Carr-Hilton LaBonte LLP ("DMCL"), Chartered Professional Accountants, of Vancouver, British Columbia, is the Company's auditor. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of DMCL, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year at remuneration to be fixed by the directors. DMCL, Chartered Professional Accountants, were first appointed auditor of the Company by the directors of the Company on July 5, 2016.

## **MANAGEMENT CONTRACTS**

Except as disclosed herein, no management functions of the Company are performed to any substantial degree by persons other than the directors and officers of the Company. Please see "Summary Compensation Table" and "Termination and Change of Control Benefits" above for a summary of the Company's management contracts.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES 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, none of Company management's proposed nominees for election as 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 the auditor.

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

Except as disclosed herein, no informed person of the Company 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 any of its subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, the Company's voting securities or who exercises control or direction over the Company's voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of the Company's securities, so long as the Company holds any of its securities.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The corporate governance practices adopted by the Company are set out in the attached Schedule “A”.

## AUDIT COMMITTEE INFORMATION

Information regarding the Company's Audit Committee, together with a copy of the Audit Committee's charter, is contained in the Company's disclosure documents with respect to the fiscal year ended March 31, 2017. A copy of the Company's documentation is available for review by the public under the Company Profiles – Candente Gold Corp. on SEDAR and also on the Company's website [www.candentegold.com](http://www.candentegold.com). Documentation may also be obtained free of charge by sending a written request to the attention of the Company's Secretary at Suite 1100, 1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 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 Proxy to vote the shares represented thereby on such matter in accordance with their best judgment.

## ADDITIONAL INFORMATION

Additional information relating to the Company is on the Company's Profile on SEDAR. Shareholders may contact the Company at Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6, Telephone: 604-689-1957, fax: 604-484-7143 or email: [info@candentegold.com](mailto:info@candentegold.com) to request copies of the Company's financial statements and management's discussion and analysis (“MD&A”).

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

DATED **October 27, 2017**.

**BY ORDER OF THE BOARD OF DIRECTORS**

Signed “*Joanne Freeze*”

President, Chief Executive Officer and Director

## SCHEDULE "A"

### CORPORATE GOVERNANCE DISCLOSURE - CANDENTE GOLD CORP.

NI 58-101 requires the Company to disclose information about its corporate governance practices on an annual basis. This disclosure must be made against the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (the "**Guidelines**").

The Company's board of directors (the "**Board**") has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 *Corporate Governance Disclosure*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company's approach to corporate governance issues.

#### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board is currently composed of five persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, a majority of the Board is independent as three of the five current members of the Board are independent. The members who are independent are Larry D. Kornze, Kenneth G. Thomas, and Ian Ward. Joanne C. Freeze is not independent by virtue of the fact that she is the Company's Chief Executive Officer and President and Paul H. Barry is the Chairman of the Board.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Other reporting issuers of which the Company's directors are also directors	
Name of Director	Names of Reporting Issuers
Joanne C. Freeze	Candente Copper Corp.
Larry D. Kornze	Duncan Park Holdings Corporation, Dynasty Gold Corp., Goldex Resources Corporation, Thunder Mountain Inc., and Mesa Exploration Corp.
Kenneth G. Thomas	Continental Gold Inc. and Avalon Rare Metals Inc.
Paul H. Barry	Not applicable
Ian Ward	Canadian Zinc Corporation

The independent directors do not have regularly scheduled meetings in the absence of the non-independent directors. On occasions where it is considered advisable, the Company's independent directors will and do hold meetings at which non-independent directors and members of management are not in attendance. As all but one of the current directors are independent, the Board does not believe it is presently necessary to have any formal structure or procedures in place to ensure that the Board can function independently of management and is of the view that the current Board structure is sufficient to facilitate open and candid discussion among independent directors. The independent directors have met more than once in the absence of management during the period since the beginning of the Company's most recently completed financial year. It is the Company's policy to have in camera sessions with only independent directors present as part of the agenda for all Board meetings.

Mr. Paul H. Barry was appointed as Chairman of the Board on March 17, 2015.

### *Majority Voting Policy*

On July 16, 2014, the Board adopted a “Majority Voting Policy” as required by the policies of the TSX, upon which the Company was then listed. Pursuant to the Majority Voting Policy, each director of the Company must be elected by a majority (50%+1 vote) of the votes cast with respect to his or her election other than at contested meetings (a contested meeting is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board). The form of proxy for meetings of the shareholders of the Company at which directors are to be elected provide the option of voting in favour, or withholding from voting, for each individual nominee to the Board. If, with respect to any particular nominee, the number of shares withheld from voting in respect of such nominee exceeds the number of shares voted in favour of such nominee, then the nominee will be considered to have not received the support of the shareholders, and such nominee must tender his or her resignation to the Board, to take effect on acceptance by the Board. The Compensation and Governance Committee will review any such resignation and make a recommendation to the Board regarding whether or not such resignation should be accepted. Any director who tenders a resignation will not participate in any meeting of the Compensation and Governance Committee at which the resignation is considered. The Board will determine whether to accept the resignation within 90 days following the shareholders’ meeting, and the Board shall accept the resignation absent exceptional circumstances. The Company will promptly issue a news release with the Board’s decision. If the Board decides not to accept a resignation, the news release will fully state the reasons for that decision.

If the resignation is accepted, subject to any corporate law restrictions, the Board may:

- (a) leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders of the Company;
- (b) fill the vacancy by appointing a director whom the Board considers to merit the confidence of the shareholders; or
- (c) call a special meeting of the shareholders of the Company to consider the election of a nominee recommended by the Board to fill the vacant position.

### ***Board Mandate***

The mandate of the Board is contained in the Company’s Corporate Governance Policy and is as follows:

“The mandate of the Board is to oversee the management of the business and affairs of the Company. The Board shall have responsibility for the stewardship of the Company and shall assume responsibility for the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks to the business of the Company and the implementation of systems to manage such risks;
- appointing, training and monitoring senior management and planning for succession of senior management;
- establishing a communications policy for the Company; and
- ensuring the integrity of the Company’s internal control and management information systems.”

### ***Position Description for Chairman***

The Board does not have a written position description for the Chairman.

### ***Position Description for CEO***

The Board does not have a written position description for the CEO, but considers the CEO to be primarily responsible for the day to day operations of the Company and for preparing the Company’s strategic plans and budgets for approval by the Board. The CEO is ultimately responsible for the execution of the Company’s strategic plan and for meeting the Company’s budget. The general duties and responsibilities of the CEO are set out in the employment agreement

between the CEO and the Company, which were developed by the Company in consultation with CEO at the time that agreement was entered into on January 1, 2010.

### ***Orientation and Continuing Education***

The Company does not currently have a formal orientation or continuing education process in place. New directors are furnished with appropriate documentation relating to the Company's business activities and internal organization, and are encouraged to spend time with management and incumbent directors in order to familiarize themselves with the Company's business and operations, as well as the role of the Board, its committees and its directors. Both new and incumbent directors are also encouraged to communicate with management, auditors, technical consultants and legal counsel to keep themselves current with industry trends and developments and changes in legislation. Management regularly provides corporate updates at scheduled meetings of the Board and passes along updates regarding legal and regulatory changes received from its legal and other professional advisors when such information is relevant to the Board. Going forward, the Company is arranging for an annual educational session to be provided to the Board by the Company's legal counsel. The Company may also pay the reasonable costs of attendance by directors at continuing education courses and seminars with respect to corporate governance, directors' duties and obligations and similar matters upon request. The Company's directors are experienced corporate directors and all of them serve as directors of other public companies where they receive various degrees of additional formal and informal continuing education and are also kept apprised of issues relevant to publicly traded mineral exploration companies. Most of the Company's directors are also members of professional associations through which they also receive relevant continuing education. If the growth of the Company's operations and/or increased turnover of the Board warrants it, the Board would consider implementing further formal orientation and/or continuing education process.

### ***Ethical Business Conduct***

The Company adopted a Code of Ethics which was approved on November 10, 2011. The Company's Code of Ethics affirms the Company's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. Most of the Company's directors are also members of professional associations which have disciplinary and practice review boards and processes. While the Company's business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty and transparency is the essential standard of integrity in any locale of the Company's business. Thus, though local customs may vary, the Company's activities are to be based on honesty, integrity and respect. The Company's Code of Ethics is posted on the Company's profile on SEDAR and is posted on the Company's website [www.candentegold.com](http://www.candentegold.com).

The Company adopted a Whistleblower Policy on June 28, 2010 which allows its directors, officers and employees who feel that a violation of the Code of Ethics has occurred, and/or who have concerns regarding financial statements disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through a Compliance Hot Line, to lawyers independent of the Company, fluent in English and Spanish, and is available in Peru, Mexico, and Canada to all directors, officers and employees. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Whistleblower Policy and the procedures it establishes assist the Board in monitoring compliance with the Code of Ethics.

The Company's Whistleblower Policy in both English and Spanish languages is available on the Company's website [www.candentegold.com](http://www.candentegold.com).

The Company has not filed any material change reports since the beginning of its most recently completed financial year that pertains to any departures from the Code of Ethics by any director or executive officer of the Company.

In addition to the provisions of the Code of Ethics, the directors and officers of the Company are bound by the provisions of the Company's Articles and the *Business Corporations Act* (British Columbia), which contain detailed provisions as to how any conflicts of interests are to be dealt with. In particular, any director who has a material interest in a particular transaction is required to disclose such interest to the Company and to abstain from voting with respect to the approval of such transaction.

In addition, the Board has also adopted a Corporate Governance Policy and Corporate Disclosure Policy on June 28, 2010. The Corporate Governance Policy establishes the mandate of the Board and sets out various matters with respect to the corporate governance of the Company, including requirements with respect to the independence of Board members, matters relating to Board composition and Board Committees, employee and insider trading guidelines and accounting services approval. The Corporate Disclosure Policy is applicable to all employees and is intended to ensure that communications to the public about the Company are timely, factual and accurate and are broadly disseminated in accordance with applicable legal and regulatory requirements. Copies of the Corporate Governance Policy and Corporate Disclosure Policy and are available on the Company's website at [www.candentegold.com](http://www.candentegold.com).

### ***Board Committees***

The Board has two committees: the Audit Committee and the Compensation and Governance Committee. The committees and their memberships are described below.

#### *Audit Committee*

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- oversee the process of selecting and appointing an auditor;
- oversee the conduct of the audit;
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- ensure the independence of the Company's auditor in accordance with applicable standards and monitor the auditor's performance; and
- provide an avenue of communication between and amongst the Company's auditors, management and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. During the period since the beginning of the Company's most recently completed financial year the Audit Committee met once in the absence of management. It is the Company's policy for the Audit Committee to have in-camera sessions with the Company's auditors during the meetings in which that auditors are involved.

As at the date of this Information Circular, the Audit Committee is composed of Paul H. Barry (Chair), Larry D. Kornze, and Kenneth G. Thomas, all of whom are "financially literate" and/or "independent" within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110 and applicable exchange rules and regulations as of this date.

The Company has set out the written position description for the Chair of the Audit Committee as follows:

- to lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the terms of reference established by the Board;
- to report to the Board on the outcome of the deliberations of the Audit Committee and periodically report to the Board on the activities of the Audit Committee; and
- to meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

### *Compensation and Governance Committee*

The mandate of the Compensation and Governance Committee is to discharge the Board's responsibilities relating to compensation of the Company's executive officers. Among other things, the Compensation and Governance Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors.

The Compensation and Governance Committee performs any other duties or responsibilities delegated to the Compensation and Governance Committee by the Board from time to time. For further information on the duties and responsibilities of the Compensation and Governance Committee, see "Executive Compensation – Compensation and Governance Committee" in this Information Circular.

As of the date of this Information Circular, the Compensation and Governance Committee members are Kenneth G. Thomas (Chair), Paul H. Barry, and Mr. Larry D. Kornze, all of whom are independent directors.

There is no written position description for the Chair of the Compensation and Governance Committee. To date, given the size of the Company and its stage of development, the Company does not believe that a formal written position description of the Chair of the Compensation and Governance Committee is required, and that good business practices and the common law provide guidance as to what is expected of the Chair of the Compensation and Governance Committee.

### *Nomination of Directors*

The Board does not have a nominating committee composed of independent directors. The CEO submits to the Board candidates to fill vacancies on the Board and the full Board then considers the proposed candidates. As the Board is comprised of a majority of independent directors, the Board is of the view that this is sufficient to ensure objectivity in the nomination process.

### *Assessment*

While there is no formal process for assessing Board or its committees on an ongoing basis, the directors are free to discuss specific situations from time to time among themselves and/or with the President and CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Given the current structure and size of the Board, the Board believes that it is not necessary to adopt a more formal assessment process at this time and that the present system is sufficient.

## **SCHEDULE "B"**

### **AUDIT COMMITTEE INFORMATION**

#### **Audit Committee Charter**

Following is text of the current charter for Candente Gold's Audit Committee:

#### **"I. MANDATE**

The Audit Committee is elected by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- A. Oversee the process of selecting and appointing an auditor.
- B. Oversee the conduct of the audit.
- C. Identify and monitor the management of the principal risks that could impact the financial reporting of the Company.
- D. Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
- E. Ensure the independence of the Company's auditor in accordance with applicable standards and monitor his performance.
- F. Provide an avenue of communication among the Company's auditors, management and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

#### **II. COMPOSITION AND QUORUM**

- A. The Audit Committee shall consist of a minimum of three independent directors and shall be elected at the first meeting of the Board after any Annual General Meeting.
- B. The Chair of the Audit Committee shall be elected by the Audit Committee from among their number and shall be financially literate.
- C. The members of the Audit Committee other than the Chair shall also be financially literate, subject to the exception that the Board of Directors may appoint to the Audit Committee any independent director who is not financially literate on the condition that such director become financially literate within a reasonable amount of time following his or her appointment to the Audit Committee and provided that the Board of Directors at the time of such appointment determine in writing (as evidenced by the Board's consent resolution or minutes of the Board meeting appointing such director to the Audit Committee) that the reliance on such exception from the requirement that all members of the Audit Committee be financially literate will not materially adversely affect the ability of the Audit Committee to satisfy the requirements of applicable corporate and securities laws pertaining to audit committees, including Multilateral Instrument 52-110.
- D. A quorum for the transaction of business at all meetings of the Audit Committee shall be a majority of members.

### **III. DUTIES OF THE CHAIR OF THE AUDIT COMMITTEE**

- A. Lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the Terms of Reference established by the Board.
- B. Report to the Board of Directors on the outcome of the deliberations of the Audit Committee and periodically report to the Board of Directors on the activities of the Audit Committee.
- C. Meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

### **IV. TERMS OF REFERENCE**

- A. The Audit Committee must recommend to the Board of Directors:
  - (a) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and,
  - (b) the compensation of the auditor.
- B. The Audit Committee must determine the scope and terms of reference of the audit engagement and the process by which and the terms under which the auditor formally reports to the Company.
- C. The Audit Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.
- D. The Audit Committee must pre-approve all non-audit services to be provided to the Company or any subsidiary of the Company by the Company's auditor.
- E. The Audit Committee must determine that the audit fees charged by the auditor with respect to the audit are, in the opinion of the Audit Committee, appropriate in relation to the work required to support an audit opinion, without regard to fees that are paid, payable or might be paid to the auditor for other services.
- F. The Audit Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- G. The Audit Committee shall prepare annually a report to the shareholders describing the steps it has taken to ensure that the auditor is independent of the Company, including:
  - (a) the policies and procedures followed so that any contracts for non-audit services with the auditor do not compromise the auditor's independence; and,
  - (b) the nature of any non-audit service contracts with the auditor and the amount of the related fees.
- H. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived it from the Company's financial statements, other than the public disclosure referred to in paragraph E above, and must periodically assess the adequacy of those procedures.
- I. The Audit Committee will review all post-audit or management letters containing the recommendations of the Company's auditor and management's response/follow-ups in respect of any identified weakness.

- J. The Audit Committee will have the right, for the purpose of performing its duties, to inspect all of the books and records of the Company and its affiliates and to discuss such accounts and records and any matters relating to the financial position or condition of the Company with the officers and auditors of the Company and its affiliates.
- K. The Audit Committee must establish procedures for:
- (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and,
  - (b) Confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.
- L. The Audit Committee must establish and monitor compliance with the Company's policies regarding:
- (a) The auditor's provision of services beyond the scope of the Company's audit; and,
  - (b) The Company's hiring of partners, employees and former partners and employees of the present and former external auditor of the Company to fill senior officer positions of the Company.
- M. The Audit Committee will have such other duties, power and authorities, consistent with applicable corporate and securities laws, as the Board may, by resolution, delegate to the Audit Committee from time to time.

## V. REGULATIONS

The following regulations shall apply to the proceedings of the Audit Committee:

- A. The Audit Committee shall meet on such dates as the Chair of the Audit Committee determines. Notice of any meeting shall be given by letter, telecopy, email or other means of recorded electronic communication or by telephone not less than 24 hours before the time fixed for the meeting. Members may waive in writing notice of any meeting before or after the holding thereof.
- B. The business of the Audit Committee shall be transacted either at meetings thereof or by conference telephone or other communications facilities that permit all persons participating in the meeting to hear each other, or by resolution in writing. All questions at a meeting shall be decided in accordance with the vote of a majority of those present and the Chair of the meeting shall not have a second or casting vote.
- C. A resolution in writing signed by all members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee shall be as valid as if it has been passed at a duly called and constituted meeting. Such resolutions in writing may be in one or more counterparts, all of which, when taken together, shall be deemed to constitute one resolution.
- D. The auditor of the Company shall, at the expense of the Company, be entitled to attend and be heard at any meeting of the Audit Committee.
- E. The Audit Committee shall meet with the auditor regularly at a frequency that is reasonable in the circumstances and when otherwise reasonably necessary, without management present, to determine whether there are any disagreements between the auditor and management relating to the Company's financial disclosure and, if so, whether those issues have been resolved to the auditor's satisfaction.
- F. The auditor and senior management of the Company shall have the opportunity to meet separately with the Audit Committee.
- G. The minutes of the proceedings of the Audit Committee and any resolutions in writing shall be kept in a book provided for that purpose which shall always be open for inspection by any director of the Company.

- H. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such advisors.
- I. Subject to the foregoing, the calling, holding and procedure at meetings of the Audit Committee shall be determined from time to time by the Audit Committee.”

### Composition of the Audit Committee

Candente Gold’s Audit Committee is made up of the following directors:

Name	Independent	Status
Larry D. Kornze	Independent	Financially Literate
Kenneth (Ken) G. Thomas	Independent	Financially Literate
Paul H. Barry	Independent	Financially Literate

### Relevant Education and Experience

Experience and education of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is as follows:

**Larry D. Kornze.** Mr. Kornze has been in the mining business for more than 40 years and at the senior management level of public companies for in excess of 20 years. He is an economic geological engineer familiar with the evaluation and feasibility of mining projects and understands the financial statements and financial issues affecting mineral exploration and mining companies.

**Kenneth (Ken) G. Thomas.** Dr. Thomas has been in the mining business for over 40 years, serving in executive management positions at Barrick Gold Corporation, Hatch, Crystallex International Corporation and Kinross Gold Corporation, serving in various capacities, including project execution, project economics and project financing until June 26<sup>th</sup>, 2014.

**Paul H. Barry.** Mr. Barry was appointed to the Audit Committee on June 26<sup>th</sup>, 2014. Mr. Barry received a Bachelor of Science degree, *magna cum laude*, in finance from Northeastern University in Boston, Mass. He also earned a master in business administration from Harvard University’s Graduate School of Business Administration. He is a graduate of the Harvard Business School Executive Program. He has over 30 years of operating experience in mining and energy in senior executive roles. He served as the Executive Vice President & Chief Financial Officer of Kinross Gold Corporation, 2011 and 2012. Mr. Barry serves as Senior Advisor, Mining & Metals, to Atlas Advisors, New York. He was previously SVP & CFO at Pepco Holdings, Inc. He also serves on the Board of Directors of Candente Copper Corp. and Board of Advisors of Orgone Development L.L.C., a Ghana power project developer.

### Reliance on Certain Exemptions

At no time since April 1<sup>st</sup>, 2014, being the commencement of Candente Gold’s most recently completed financial year, has the Company relied on the exemptions of the following sections of National Instrument 52-110 *Audit Committees* (“NI 52-110”):

- (a) Section 2.4 (De Minimis Non-audit Services);
- (b) Section 3.2 (Initial Public Offerings);
- (c) Section 3.3(2) (Controlled Companies);
- (d) Section 3.4 (Events Outside Control of Member);
- (e) Section 3.5 (Death, Disability or Resignation of Audit Committee Member);
- (f) Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
- (g) Section 3.8 (Acquisition of Financial Literacy); or,

(h) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

#### **Audit Committee Oversight**

At no time since April 1<sup>st</sup>, 2014, being commencement of Candente Gold'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.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Terms of Reference" of the Audit Committee Charter set out above in this Schedule "A".

#### **External Auditor Service Fees (By Category)**

The table below sets out all fees billed by our external auditor in each of the last two fiscal years. In the table "Audit Fees" are fees billed by our external auditor for services provided in auditing our financial statements for the fiscal year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditor for products and services not included in the foregoing categories.

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
March 31, 2017	\$16,320	Nil	\$2,600	Nil
March 31, 2016	\$14,280	Nil	\$2,500	Nil