

BAROYECA GOLD & SILVER INC.

Suite 1008 - 409 Granville Street
Vancouver, British Columbia
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INFORMATION CIRCULAR

INFORMATION PROVIDED AS AT FEBRUARY 1, 2018 FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD MARCH 8, 2018.

This Information Circular is furnished in connection with the solicitation of proxies by management of Baroyeca Gold & Silver Inc. (the "Company") for use at the Extraordinary General Meeting (the "Meeting") of Shareholders to be held on March 8, 2018 and any adjournment thereof at the time and place and for the purposes set forth in the Notice of Meeting.

The cost of this solicitation will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and some regular employees may solicit personally, but will not receive compensation for so doing.

APPOINTMENT AND REVOCATION OF PROXIES

THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY ARE DIRECTORS OF THE COMPANY. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO, EITHER BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND IN EITHER CASE DELIVERING THE COMPLETED PROXY TO THE COMPANY'S TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA, 510 BURRARD STREET, 2ND FLOOR, VANCOUVER, B.C., V6C 3B9, NOT LESS THAN FORTY-EIGHT (48) HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING. A proxy may be delivered to the Transfer Agent by fax or other means as set out in the accompanying Form of Proxy. (Refer to notes thereto for instructions).

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

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

General

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

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this information circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which

are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a Special Resolution, in which case a majority of not less than 66 2/3% of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by shareholders of the Company who are also "insiders," as such term is defined under applicable securities laws, and who have an interest in the outcome of the resolution, will be excluded from the count of votes cast on such motion.

Advice to Beneficial Holders of Common Shares

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

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their 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 identical to the form of proxy provided to registered Shareholders. 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 Investor Communications Solutions, Canada ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be presented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common shares directly at the Meeting. The proxy must be returned to Broadridge 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 purposes of voting common shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as a proxy holder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the meeting and indirectly vote their common shares as proxy holder for the registered shareholder should strike out the names printed in the proxy form and enter their own names in the blank space on the proxy form 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 agent), well in advance of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The voting securities of the Company consist of common shares without par value. As February 1, 2018, the issued and outstanding shares of the Company consisted of 51,269,938 common shares without par value, each such share carrying the right to one (1) vote at the Meeting. February 1, 2018 has been fixed in advance by the directors as the record date for the purposes of determining those shareholders entitled to receive notice of, and to vote at, the Meeting unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that the transferee owns such shares, requests at least 10 days prior to the Meeting that the

transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

To the knowledge of the directors and senior officers of the Company, as of the record date, no persons beneficially owned, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Company.

As of February 1, 2018, the directors and senior officers of the Company as a group owned beneficially, directly and indirectly, 2,721,000 common shares of the Company, representing 5.31 % of the presently issued and outstanding common shares of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Matters to be acted upon

This Information Circular and the accompanying form of Proxy are being distributed to shareholders in order to inform the shareholders of the transaction entered into by the Company, granting an option to Aztec Minerals Corp. ("Aztec") to acquire a 75% interest in the Company's property holdings located in the Tombstone Mining Division, Cochise County, Arizona, (the "Transaction") and to encourage the shareholders to complete their Proxies in favour of the Transaction and return their Proxy to Computershare, or otherwise vote their shareholdings in the manner set out on the form of Proxy. Further particulars regarding the Property and the Transaction are set out below. Except as otherwise stated in this Information Circular, no Director or Senior Officer of the Company or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be approved at the Meeting, except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Grant of Property Option by the Company

The Company's principal mineral property interest is its holding of 37 patented and 7 unpatented lode mineral claims (the "Property") situated just south of the town of Tombstone, Arizona, and containing a number of the historic patented claims that had formerly supported the production of silver from that area. As the Transaction constitutes the disposition by the Company of more than 50% of its assets, the policies of the TSX Venture Exchange require shareholder approval for the Transaction.

Terms of the Transaction

The Transaction is evidence by a Purchase Option Agreement entered into between the Company and Aztec whereby the Company granted Aztec an option to acquire a 75% interest in the Property. Pursuant to the terms of the Purchase Option Agreement, to earn the 75% interest in the property, Aztec must incur expenditures of CAD\$1,000,000 on the property, make cash payments of CAD\$100,000 to the Company and issue 1,000,000 Aztec common shares to the Company over the term of the Agreement as follows:

	Exploration Expenditures	Cash Payments	Share Issuances
Year 1	\$50,000	\$40,000	100,000
Year 2	\$300,000	\$30,000	300,000
Year 3	\$650,000	\$30,000	600,000
Total	\$1,000,000	\$100,000	1,000,000

The Company will continue to operate its aggregate business processing waste rock from former mining operations on the property.

Should Aztec earn and exercise the 75% interest in the Property, the companies will then form a joint venture for the further development of the Property. The Company would hold a 25% operating interest in such joint venture.

History of the Property

The Company first acquired its interest in the Property through the purchase of two packages of patented claims which make up its current holdings of patented property. The claims comprise in the order of 335 acres and the cost to the Company was in the order of US\$430,000. The unpatented claims were acquired subsequently by the Company through staking.

The patented claims acquired in these two packages, amongst other things, contained the former Tombstone Contention Mine and the Grand Central Mine, which had been previously operated principally as silver mines and which had ceased operations due to the suppressed silver price, not the exhaustion of the mineral deposit. The Company planned to carry out further exploration of these properties and engaged an independent geological consultant to review the geology and history of the Property and to recommend a work program to evaluate the mineral potential of the Property. The recommended program was set out in two phases at a cost of \$600,000 for the first phase and \$1,500,000 for the second, for a total of \$2,100,000.

As much as the Company was interested in the promising potential of the Property, the Company was proceeding with its follow-up drilling program on its Mexican property, estimated to cost in the order of US\$550,000 before any of the related costs of assays, analyses, interpretation and report preparation, and so it determined to hold the exploration on the Tombstone Property until funds were available.

The Company announced a private placement of up to \$1,000,000 of its securities, comprised of 6,666,667 units of its securities at \$0.15 per unit, in mid February 2012. The Company had received encouraging interest in the placement at the time of the announcement. Unfortunately, the markets for the Company's shares started falling off in the spring of 2012 and the Company was only able to raise \$328,999.95 from the financing. With the commitments and expenditures undertaken by the Company, it was short of funds and its market price continued to decline and has not recovered to this date.

Accordingly, the Company has not had the funds to undertake the proposed exploration programs on the Property and has to pay property taxes on the claims each year to maintain them in good standing.

The Aggregate Business

Since the Property is the site of several former operating silver mines that had conducted mining operations on the Property, there was stored on the Property large quantities of waste rock that had been moved to provide access to the ore grade materials or processed to recover the desired minerals. When the Company acquired the Property, there was an ongoing small aggregate operation which came with the Property. With the historic equity financing not being available to the Company because of the depressed market price of the Company's shares, the Company looked at expanding the aggregate business as a possible source of additional funds.

In 2013, the Company secured a loan of US\$275,000 from certain lenders, which funds were used to buy a crusher, screens and other equipment necessary to expand the aggregate operations. The Company also submitted a bid to Cochise County and succeeded to be accepted as a supplier recognized by the County. This step was expected to markedly increase the Company's sales in the following year. Unfortunately, the County and State, as with a good part of the U.S. was in an economic slump and never received the infrastructure spending promised by the Federal government. The table on the following page shows the acquisition costs, expenses and revenues incurred on the Property from 2012 to date:

Item / Year	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$	2017 \$	2018 ⁽¹⁾ \$	Total \$
Acquisition Costs	656,859	34,720	-	-	-	-	-	691,579
Operating Costs								
Assaying	-	1,468	553	4,666	-	-	-	6,687
Camp & field supp	-	46	8,813	3,512	1,348	-	-	13,719
Consulting	63,096	36,581	47,173	64,888	36,923	44,817	18,043	311,521
Contract wages	37,310	43,417	84,953	125,498	67,384	81,159	59,036	498,757
Engineering	7,781	-	-	-	-	-	-	7,781
Equipment lease	-	-	-	-	8,316	49,680	43,304	101,300
Equipment rent	-	-	15,440	11,616	4,621	87,882	22,835	142,394
Insurance	-	-	2,415	5,752	-	-	-	8,167
Mining taxes			17,907	-	27,543	12,454	1,889	59,793
Permit,title,taxes	1,361	6,702	9,261	13,207	8,750	1,256	-	40,537
Prospecting	22,934	-	-	-	-	-	-	22,934
Transportation	2,362	22,445	-	-	-	-	-	24,807
Travel and misc.	11,010	13,311	23,109	17,003	11,766	19,717	1,123	97,039
Vehicle repairs	-	-	99,236	54,014	25,949	27,945	2,097	209,241
Foreign exch. adj.	-	-	65,457	127,155	54,892	39,567	(55,894)	231,177
Total costs	145,854	123,970	374,317	427,311	247,492	364,477	92,433	1,775,854
Revenue/Recovery	(43,700)	(190,385)	(214,124)	(278,993)	(129,309)	(327,206)	(211,554)	(1,395,271)
Operating costs net of Revenue	102,154	(66,415)	160,193	148,318	118,183	37,271	(119,121)	380,583

Note 1. The operations set out in the above table for the year 2018 only represent six months operations to November 30, 2017.

The above table shows that although the Company has not had the funds to conduct exploration activities on the Property, the aggregate business has been able to generate nearly \$1.4 million in revenue over the last five and a half years although still without making a profit. The results of the business have been improving over the last few years and there is the prospect of possibly having a small profit for 2018. Accordingly, the Company has negotiated for the continuance of the aggregate business during the term of the option.

Summary

Management of the Company believes that the Transaction with Aztec is in the best interests of the Shareholders and the Company, providing an opportunity for the Company to participate in the potential future development of the Property although in a reduced manner. Accordingly, Management recommends that shareholders complete their form of Proxy and vote in favour of the Transaction. If shareholders are completing their Proxy in favour of Managements representatives to vote, the persons named in the enclosed forms of Proxy intend to vote in favour of the Transaction.

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass as an ordinary resolution, the following:

"BE IT RESOLVED THAT the Transaction with Aztec, constituting the sale of over 50% of the assets of the Company,

be and the same is hereby ratified, confirmed and approved and any director be and the same is hereby authorized to take such actions and execute and deliver on behalf of the Company any matters or documents necessary to carry out the intent and purpose of these resolutions."

The contents of this Information Circular and its distribution to the shareholders have been approved by the Board of Directors of the Company.

Dated at Vancouver, British Columbia, as of the 1st day of February, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

BAROYECA GOLD & SILVER INC.

"Richard Wilson"

RICHARD WILSON
President and Chief Executive Officer