

**GOLDQUEST MINING CORP.**  
**NOTICE OF ANNUAL GENERAL MEETING**  
**OF SHAREHOLDERS**  
**TO BE HELD ON JUNE 29, 2018**

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders (the “**Meeting**”) of GoldQuest Mining Corp. (the “**Company**”) will be held at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario M5L 1A9 on Friday, June 29, 2018 at 9:30 a.m. Eastern Standard Time for the following purposes:

1. to receive the comparative financial statements of the Company and the auditors’ report thereon for the fiscal year ended December 31, 2017;
2. to fix the number of directors at five (5);
3. to elect directors for the ensuing year;
4. to appoint auditors and authorize the directors to fix the remuneration of such auditors;
5. to re-approve the Company’s stock option plan; and
6. to transact such further or other business as may properly come before the Meeting and any adjournment or adjournments thereof.

The board of directors of the Company (the “**Board**”) has fixed the close of business on May 9, 2018 as the record date for the determination of shareholders entitled to notice of the Meeting or any adjournment or adjournments thereof and the right to vote thereat.

Accompanying this notice is management information circular and a form of proxy. Shareholders who are unable to attend the Meeting in person are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions provided on the form of proxy.

DATED at Toronto, Ontario this 9<sup>th</sup> day of May, 2018.

**BY ORDER OF THE BOARD**

*“signed”*

Bill Fisher  
Executive Chairman and Chief Executive Officer

# **GOLDQUEST MINING CORP.**

## **INFORMATION CIRCULAR**

(containing information as at May 9, 2018, unless otherwise stated)

### **SOLICITATION OF PROXIES**

This Information Circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the Management of **GOLDQUEST MINING CORP.** (the “**Company**”), for use at the Annual General Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Company to be held on Friday, the 29<sup>th</sup> day of June, 2018, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

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

The persons named in the accompanying form of proxy are directors and/or officers of the Company. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder’s nominee in the blank space provided, or complete another instrument of proxy. A proxy will not be valid unless it is duly completed, signed and deposited with the Company’s registrar and transfer agent, TSX Trust Company, 301 - 100 Adelaide Street West, Toronto ON M5H 4H1, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting (i.e. prior to 9:30 a.m. Eastern Standard Time on Wednesday, June 27, 2018) or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail with TSX Trust Company, 301 - 100 Adelaide Street West, Toronto ON M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction. In the absence of any instruction in a 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 Circular.

The accompanying form of proxy, 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 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 exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, shares held by Shareholders who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this 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 shares can be recognized and acted upon at the Meeting.

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” shareholders because the shares of the Company that they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their shares. A person is not a registered Shareholder (a “**Beneficial Holder**”) in respect of shares which are held either (i) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.), or its nominee, of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the materials for the Meeting to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Meeting materials to Beneficial Holders other than Beneficial Holders that have waived the right to receive them. Management does not intend to pay for intermediaries to forward the meeting materials to objecting beneficial owners and therefore such objecting beneficial owners will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

Intermediaries will frequently use service companies to forward the Meeting materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive the Meeting materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of the Company’s shares beneficially owned by the Beneficial Holder and is to be completed, but not signed, by the Beneficial Holder and deposited with TSX Trust Company, or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Beneficial Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the Company’s shares which they beneficially own. Should a Beneficial Holder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the management proxyholders named in the form and insert the Beneficial Holder’s name in the blank space provided. Beneficial Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

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

All references to shareholders in this Circular and the accompanying form of proxy are to registered shareholders unless specifically stated otherwise.

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

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

#### **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on May 9, 2018 (the “**Record Date**”), who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder’s shares voted at the Meeting.

The Company’s authorized capital consists of an unlimited number of common shares (“**Common Shares**”) without par value. As at the Record Date, the Company has 254,567,384 Common Shares issued and outstanding, each share carrying the right to one vote.

To the best of the knowledge of the directors and senior officers of the Company, as at the Record Date, no person holds, directly or indirectly, or exercises control or direction, over more than 10% of the issued and outstanding Common Shares save and except for CDS & Co., an intermediary which holds shares of the Company in electronic form for various brokerage houses and banks, and as follows:

Shareholder	Number of Shares	% of Outstanding Shares
Agnico Eagle Mines Ltd.	38,100,000	14.96%

As at May 9, 2018, the directors and officers of the Company own or control, or direct, directly or indirectly, in the aggregate, 5,482,500 Common Shares, representing approximately 2.15% of the issued and outstanding Common Shares.

#### **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had five (5) “named executive officers” during the financial year ended December 31, 2017, namely (i) Mr. William Fisher, Executive Chairman and CEO, (ii) Mr. Julio Espaillat, former President and CEO, (iii) Mr. Paul Robertson, CFO, (iv) Mr. Jeremy Niemi, Former Vice-President, Exploration, and (v) Mr. David Massola, Vice-President, Corporate Development.

#### **Definitions**

For the purpose of this Circular:

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

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

“**closing market price**” means the price at which the company’s security was last sold, on the applicable date,

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

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

**“equity incentive plan”** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IAS 2 Share-based payment of International Financial Reporting Standard (“**IFRS**”);

**“grant date”** means a date determined for financial statement reporting purposes under IAS 2 of IFRS;

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

**“incentive plan award”** means compensation awarded, earned, paid, or payable under an incentive plan;

**“NEO”** or **“named executive officer”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its 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 National Instrument 51-102 – *Continuous Disclosure Obligations* (“**National Instrument 51-102**”), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

**“non-equity incentive plan”** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

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

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

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

## Compensation Discussion and Analysis

### *Discussion and Analysis*

The objective of the Company’s compensation strategy is to provide adequate levels of base compensation for its NEOs as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives and ensure compensation is competitive so as to enable the Company to continue to attract talented individuals. Each NEO receives a base salary in recognition of the position’s day-to-day duties and responsibilities.

The Compensation & Nominating Committee, a committee of the board of directors of the Company (the “**Board**”), is responsible for establishing management compensation. The Board, and the Compensation & Nominating Committee thereof, do not have a pre-determined, performance-based compensation plan, but rather review the performance of management at the end of each fiscal year. The Compensation & Nominating Committee, as at December 31, 2017, was comprised of the following directors: Mr. Patrick Michaels (chair - independent), Mr. Florian Siegfried (independent) and

Mr. Frank Balint (independent). The Board reviews each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Board may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. In arriving at a decision to award and in determining the amount of discretionary cash bonuses, the Compensation & Nominating Committee considers performance measures, including financial, budgetary, projects and other corporate initiatives.

Under the terms of the employment agreement made March 1, 2011 between the Company and Mr. Julio Espaillat, former CEO, Mr. Espaillat was entitled to participate in an annual cash bonus plan that provides him with the opportunity to receive a cash-based performance bonus up to 50% of his annual salary (or up to \$90,000) based on criteria adopted by the Board of Directors. Mr. Espaillat retired as CEO on September 12, 2017.

Under the terms of the employment agreement dated June 14, 2017 between the Company and William Fisher, the Executive Chairman of the Board of Directors of the Company and CEO, Mr. Fisher is entitled to an annual salary of \$380,000. Mr. Fisher is also entitled to participate in an annual cash bonus plan that provides him with the opportunity to receive a cash-based performance bonus of up to 50% of his annual salary (or up to \$190,000, based on criteria adopted by the Board of Directors).

Under the terms of the employment agreement dated June 1, 2015 between the Company and Paul Robertson, the Chief Financial Officer of the Company, Mr. Robertson is entitled to a monthly salary of \$4,250 for his services as Chief Financial Officer. Under a separate accounting services agreement dated June 1, 2015 between the Company and Quantum Advisory Partners LLP, a limited liability partnership that is licensed and registered with the Institute of Chartered Accountants of British Columbia through which Mr. Robertson practises accounting, Quantum Advisory Partners LLP provides the Company with accounting services.

Under the terms of a contractor services agreement dated October 13, 2016 between the Company and David Massola, the Vice President of Corporate Development of the Company, Mr. Massola provides services to the Company in a non-exclusive relationship with the Company two days a week and is entitled to a fee of \$1,050 per day. Mr. Massola is also entitled to incentive compensation. If the Company receives a successful takeover bid during the term of the agreement, the Company shall pay Mr. Massola a one-time bonus of \$125,000 in cash or \$150,000 in Common Shares.

NEOs are also eligible to participate in the Company's stock option plan (the "**Option Plan**") and receive grants of stock options thereunder.

Base salaries and bonuses are determined largely by reference to market conditions and salaries and bonuses paid for equivalent positions and roles. Benchmarking has not been utilized for setting base salaries or bonuses, rather the overall experience of the Board is used in determining appropriate and competitive compensation levels, taking into account the NEO's performance for the preceding fiscal year. In addition to performance, the members of the Compensation & Nominating Committee consider, among other things, the industry in which the Company operates, the competitive landscape for hiring executives within this industry, the public nature of the Company, the financial condition and market capitalization of the Company and the defined responsibilities of each individual. The Compensation & Nominating Committee believes that the salary and bonus paid to each NEO during the last fiscal year was commensurate with such NEO's position and experience.

The members of the Compensation & Nominating Committee do not have direct experience that is relevant to their responsibilities in executive compensation. However, each of the Compensation & Nominating Committee members has skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Company as set out below.

*Patrick Michaels*

Patrick Michaels is the Chairman of Zuri-Invest AG and the Chairman of Asty Capital AG in Zurich, Switzerland. Mr. Michaels has been involved in numerous financings of gold mines in North America and is a well-respected financial adviser and fund manager throughout Europe. Mr. Michaels has extensive experience in the fields of mining finance, fund management and asset allocation. Mr. Michaels has a background in law and economics, and

did his training in the areas of private banking and investment research at UBS in Zurich. Additionally, he attended post-graduate courses at the Colorado School of Mines in Denver, Colorado.

*Florian Siegfried*

Florian Siegfried is the sponsor of the Precious Capital Global Mining and Metals Fund. Before that he served as Chief Executive Officer of Precious Capital AG, a Zurich-based fund manager specializing in global mining investments. Previously he was the CEO of Shape Capital Ltd., a SIX Swiss Exchange-listed private equity company. He is also an independent director of PPX Mining Corp. Mr. Siegfried holds a master's degree in finance and economics from the University of Zurich and a post-graduate degree in accounting from the University of Lucerne.

*Frank Balint*

Frank Balint is a seasoned mining executive with over 35 years of broad ranging practical experience in the mining industry. Mr. Balint has been involved in all aspects of the mining life cycle from exploration, through discovery, feasibility, financing, development and closure. Mr. Balint possesses strong technical skills backed up by a solid financial experience base that have resulted in a strong exploration and acquisition track record. As a senior member of the executive team at Inmet Mining Corp. for nearly 20 years, he has had significant involvement with shaping, communicating, and executing a successful corporate strategy that saw Inmet grow from a market cap of less than \$200 million to over \$5 billion before it was acquired by First Quantum Minerals in March of 2013. Mr. Balint was also formerly a director of Wolfden Resources Inc., a TSX listed company that was sold to Zinifex Limited in 2007 for \$363 million. Mr. Balint is a licensed professional geologist (P. Geo) in Ontario and is currently a director of AmAuCu Mining Corporation.

The Company has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. The Company has a Compensation & Nominating Committee to assist the Board in discharging its duties relating to compensation of the Company's directors and executive officers. Risk management is not a primary consideration of the Compensation & Nominating Committee in designing or determining executive compensation.

The Board believes that the executive compensation program of the Company should not raise its overall risk profile. Accordingly, the Company's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are determined by the Compensation & Nominating Committee based on individual annual performance reviews;
- adoption of a stock option vesting policy pursuant to which incentive stock options granted to executive officers and management vest over time discourages excessive risk-taking to achieve short-term goals; and
- implementation of trading black-outs under the Company's Corporate Disclosure Policy limits the ability of executive officers to trade in securities of the Company.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board, at which, activity by the executives must be approved by the Board if such activity is outside previously Board-approved actions and/or as set out in a board-approved budget. Due to the fact that the Company is still an exploration stage mining company, and given the current composition of the Company's executive management team, the Board and the Compensation & Nominating Committee are able to closely monitor and consider any risks which may be associated with the Company's compensation practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed, including executive compensation.

An NEO or director is not expressly prohibited from purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

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

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEOs, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), permitting them to participate in any appreciation of the market value of the Company's Common Shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increasing shareholder value.

The Board reviews the grant of stock options to NEOs from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Company achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when considering new grants of stock options to NEOs.

The Board or the Compensation & Nominating Committee, as applicable, may determine the terms relating to each option, including the number of shares subject to each option, the exercise price, the expiration date of each option, and the extent to which each option is exercisable during the term of the option, based on the recommendation of the CEO of the Company.

The Company has no equity compensation plans other than the Option Plan.

### **NEO Summary Compensation Table**

The following table sets out certain information respecting the compensation paid to the NEO's during the most recently completed financial years.

Name and principal position	Year	Salary (CAD)	Grant date fair value of share-based awards (CAD)	Grant date fair value of option-based awards <sup>(1)</sup> (CAD)	Non-equity incentive plan compensation (CAD)		Pension value (CAD)	All other compensation (CAD)	Total compensation (CAD)
					Annual incentive plans	Long-term incentive plans			
William Fisher <sup>(2)</sup> Executive Chairman and CEO	2017	\$380,000	Nil	\$480,633 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$860,633
	2016	\$190,000	Nil	\$593,554 <sup>(4)</sup>	\$76,000	Nil	Nil	Nil	\$859,554
	2015	\$238,000	Nil	\$170,041 <sup>(5)</sup>	Nil	Nil	Nil	Nil	\$408,041
Julio Espaillat <sup>(6)</sup> Former President & CEO	2017	\$142,500	Nil	\$320,422 <sup>(7)</sup>	Nil	Nil	Nil	\$112,227 <sup>(10)</sup>	\$565,149
	2016	\$190,000	Nil	\$632,264 <sup>(8)</sup>	\$61,560	Nil	Nil	Nil	\$883,824
	2015	\$190,000	Nil	\$38,740 <sup>(9)</sup>	Nil	Nil	Nil	Nil	\$228,740
Paul Robertson <sup>(11)</sup> CFO	2017	Nil	Nil	\$160,211 <sup>(12)</sup>	Nil	Nil	Nil	\$161,000 <sup>(15)</sup>	\$321,211
	2016	Nil	Nil	\$175,486 <sup>(13)</sup>	Nil	Nil	Nil	\$160,214 <sup>(15)</sup>	\$335,700
	2015	Nil	Nil	\$79,522 <sup>(14)</sup>	Nil	Nil	Nil	\$143,306 <sup>(15)</sup>	\$222,828
Jeremy Niemi <sup>(16)</sup> Former Vice President, Exploration	2017	\$150,000	Nil	\$232,306 <sup>(17)</sup>	Nil	Nil	Nil	\$128,000 <sup>(20)</sup>	\$505,861
	2016	\$160,000	Nil	\$113,549 <sup>(18)</sup>	\$32,800	Nil	Nil	Nil	\$306,349
	2015	\$170,000	Nil	\$34,414 <sup>(19)</sup>	Nil	Nil	Nil	Nil	\$204,414

Name and principal position	Year	Salary (CAD)	Grant date fair value of share-based awards (CAD)	Grant date fair value of option-based awards <sup>(1)</sup> (CAD)	Non-equity incentive plan compensation (CAD)		Pension value (CAD)	All other compensation (CAD)	Total compensation (CAD)
					Annual incentive plans	Long-term incentive plans			
David Massola Vice President, Corporate Development	2017	Nil	Nil	\$79,162 <sup>(21)</sup>	Nil	Nil	Nil	\$149,100 <sup>(23)</sup>	\$228,262
	2016	Nil	Nil	\$218,833 <sup>(22)</sup>	Nil	Nil	Nil	\$28,350 <sup>(23)</sup>	\$247,183

- (1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. The Company used the Black-Scholes-Merton model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for the 2017 calculation: (a) risk-free interest rate: 1%; (b) life of option: 5 years; (c) expected volatility: 130%; and dividend yield: 0%. The Black-Scholes option valuation model is used because it provides a fair value widely accepted by the business community and is regarded as one of the best ways of determining fair prices of options.
- (2) Mr. Fisher was appointed as CEO effective September 12, 2017.
- (3) Mr. Fisher was granted 1,200,000 options exercisable at a price of \$0.50 until April 10, 2022.
- (4) Mr. Fisher was granted 1,150,000 options exercisable at a price of \$0.60 until August 12, 2021.
- (5) Mr. Fisher was granted 330,000 and 1,200,000 options exercisable at a price of \$0.15 and \$0.13 until January 20, 2020 and December 14, 2020, respectively.
- (6) Mr. Espaillat was appointed as CEO effective March 1, 2011. Mr. Espaillat retired as CEO on September 12, 2017. Mr. Espaillat remains on the Board.
- (7) Mr. Espaillat was granted 800,000 options exercisable at a price of \$0.50 until April 10, 2022.
- (8) Mr. Espaillat was granted 1,225,000 options exercisable at a price of \$0.60 until August 12, 2021.
- (9) Mr. Espaillat was granted 250,000 and 100,000 options exercisable at a price of \$0.15 and \$0.13 until January 20, 2020 and December 14, 2020, respectively.
- (10) \$102,227 was paid to Mr. Espaillat in relation to his retirement as CEO of the Company. This amount was incurred in US Dollars and converted at the average rate of exchange for the year ended December 31, 2017 (\$1.00=USD 0.7700). Additionally, and following Mr. Espaillat's retirement as CEO on September 12, 2017, he received \$10,000 in base fees for his continued roll on the Board.
- (11) Mr. Robertson was appointed as CFO effective September 1, 2010.
- (12) Mr. Robertson was granted 400,000 options exercisable at a price of \$0.50 until April 10, 2022.
- (13) Mr. Robertson was granted 340,000 options exercisable at a price of \$0.60 until August 12, 2021.
- (14) Mr. Robertson was granted 90,000 and 625,000 options exercisable at a price of \$0.15 and \$0.13 until January 20, 2020 and December 14, 2020, respectively.
- (15) Fees paid to Quantum Advisory Partners LLP for CFO and non-CFO related services (including full-cycle accounting, tax compliance, and corporate secretarial), a registered limited liability partnership, of which Mr. Robertson is an incorporated partner.
- (16) Mr. Niemi was appointed as Vice President, Exploration effective May 14, 2014. Mr. Niemi's employment as Vice President ceased on September 22, 2017.
- (17) Mr. Niemi was granted 580,000 options exercisable at a price of \$0.50 until April 10, 2022.
- (18) Mr. Niemi was granted 220,000 options exercisable at a price of \$0.60 until August 12, 2021.
- (19) Mr. Niemi was granted 110,000 and 200,000 options exercisable at a price of \$0.15 and \$0.13 until January 20, 2020 and December 14, 2020, respectively.
- (20) This amount was paid to Mr. Niemi in connection with his resignation from the Company.
- (21) Mr. Massola was granted 100,000 and 100,000 options exercisable at a price of \$0.50 until April 10, 2022 and April 18, 2022, respectively.
- (22) Mr. Massola was granted 600,000 options exercisable at a price of \$0.36 until October 13, 2021.
- (23) Fees paid to David Massola for VP Corporate Development related services.

### **NEO Incentive Plan Awards**

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

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

	Option-based Awards				Share-based Awards		
	Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
William Fisher <sup>(2)</sup> Executive Chairman & CEO	600,000 580,000 330,000 1,200,000 1,150,000 1,200,000	\$0.50 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	March 8, 2018 <sup>(5)</sup> December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$Nil \$60,900 \$67,650 \$270,000 \$Nil \$Nil	N/A	N/A	N/A
Julio Espaillat <sup>(3)</sup> Former President & CEO	400,000 350,000 250,000 100,000 1,225,000 800,000	\$0.50 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	March 8, 2018 <sup>(5)</sup> December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$Nil \$36,750 \$51,250 \$22,500 \$Nil \$Nil	N/A	N/A	N/A
Paul Robertson CFO	200,000 130,000 90,000 625,000 340,000 400,000	\$0.50 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	March 8, 2018 <sup>(5)</sup> December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$Nil \$13,650 \$18,450 \$140,625 \$Nil \$Nil	N/A	N/A	N/A
Jeremy Niemi <sup>(4)</sup> Vice President, Exploration	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Massola Vice President, Corporate Development	600,000 100,000 100,000	\$0.36 \$0.50 \$0.50	October 13, 2021 April 10, 2022 April 18, 2022	\$Nil \$Nil \$Nil	N/A	N/A	N/A

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's Common Shares on the TSX Venture Exchange (the "Exchange") on the last day of the most recently completed financial year, being \$0.27.

(2) Mr. Fisher was appointed as CEO effective September 12, 2017.

(3) Mr. Espaillat retired as CEO on September 12, 2017. Mr. Espaillat remains on the Board.

(4) Mr. Niemi was appointed as Vice President, Exploration effective May 14, 2014. Mr. Niemi's employment as Vice President ceased on September 22, 2017.

(5) Options with an expiry date of March 8, 2018 expired unexercised.

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

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

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 (\$)
William Fisher <sup>(2)</sup>	\$102,000	N/A	N/A
Julio Espaillat <sup>(3)</sup>	\$8,500	N/A	N/A
Paul Robertson	\$53,125	N/A	N/A
Jeremy Niemi <sup>(4)</sup>	\$17,000	N/A	N/A
David Massola	\$20,000	N/A	N/A

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's Common Shares on the Exchange on the vesting date. The grant of stock options to NEO's pursuant to the Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards".

(2) Mr. Fisher was appointed as CEO effective September 12, 2017.

- (3) Mr. Espaillat retired as CEO on September 12, 2017. Mr. Espaillat remains on the Board.
- (4) Mr. Niemi was appointed as Vice President, Exploration effective May 14, 2014. Mr. Niemi's employment as Vice President ceased on September 22, 2017.

### ***Termination and Change of Control Benefits***

Under the terms of the employment agreement made January 1, 2014 between the Company and Julio Espaillat, the former Chief Executive Officer of the Company, if the Company had terminated Mr. Espaillat's employment, without cause and absent a change of control, an amount equal to twelve months of his salary would have been payable to Mr. Espaillat and if the Company had terminated Mr. Espaillat's employment without cause and within twelve months of a change of control, an amount equal to twenty four months of his salary would have been payable to Mr. Espaillat. Mr. Espaillat retired as CEO on September 12, 2017. As a result, no triggering event could have occurred on December 31, 2017, and the estimated incremental payment to Mr. Espaillat under the foregoing provision would have been \$0.00.

Under the terms of the employment agreement dated June 14, 2017 between the Company and William Fisher, the Executive Chairman of the Board of Directors of the Company and CEO, if the Company terminates Mr. Fisher's employment, without cause and absent a change of control, an amount equal to six months of his salary and the value of six months of the additional benefits will be payable to Mr. Fisher. If, within twelve months of a change of control, the Company terminates Mr. Fisher's employment without cause or Mr. Fisher terminates his employment agreement for any reason, a lump sum payment of \$1,710,000 will be payable to Mr. Fisher. Additionally, any stock options that Mr. Fisher has been granted will vest immediately. Based on the assumption that the triggering event occurred on December 31, 2017, the estimated incremental payment to Mr. Fisher under the foregoing provision would have been either \$190,000 or \$1,710,000 respectively.

Under the terms of the employment agreement made January 1, 2016 between the Company and Jeremy Niemi, the former Vice President of Exploration of the Company, if the Company terminates Mr. Niemi's employment, without cause and absent a change of control, an amount equal to twelve months of his salary will be payable to Mr. Niemi. If the Company terminates Mr. Niemi's employment without cause and within four months of a change of control, an amount equal to twenty four months of his salary will be payable to Mr. Niemi. Mr. Niemi's employment as Vice President of Exploration ceased September 22, 2017. As a result, no triggering event could have occurred on December 31, 2017, and the estimated incremental payment to Mr. Niemi under the foregoing provision would have been \$0.00.

Under the terms of the employment agreement made August 1, 2015 between the Company and Paul Robertson, the Chief Financial Officer of the Company, if the Company terminates Mr. Robertson's contract, without cause and absent a change of control, an amount equal to 24 months of his salary will be payable to Mr. Robertson and if the Company terminates Mr. Robertson's contract without cause and within four months of a change of control, an amount equal to 24 months of his salary will be payable to Mr. Robertson. Based on the assumption that the triggering event occurred on December 31, 2017, the estimated incremental payment to Mr. Robertson under the foregoing provisions would have been \$102,000.

Under the terms of the contractor services agreement made October 13, 2016 between the Company and David Massola, the Vice President of Corporate Development of the Company, if a formal offer to purchase the Company is received from a third party within 60 days of the Company or Mr. Massola giving notice of termination of the agreement for any reason, a one-time bonus of \$125,000 in cash or \$150,000 in Common Shares will be triggered to be paid in Common Shares. Based on the assumption that the triggering event occurred on December 31, 2017, the estimated incremental payment to Mr. Massola will be \$125,000 in cash or \$150,000 in Common Shares.

### **DIRECTOR COMPENSATION**

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

The following table sets out certain information respecting the compensation paid to directors of the Company who were not NEO's during the Company's most recently completed financial year:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Patrick Michaels	\$48,000	Nil	\$300,396	Nil	Nil	Nil	\$348,396
Florian Siegfried	\$48,000	Nil	\$300,396	Nil	Nil	Nil	\$348,396
Frank Balint	\$48,000	Nil	\$120,158	Nil	Nil	Nil	\$168,158

(1) See the NEO Summary Compensation Table above for information regarding the NEOs.

(2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes.

The Board reviews and determines directors' compensation once a year. The Board takes into account the types of compensation and the amounts paid to the directors of comparable publicly traded Canadian companies. The below noted annual retainers and fees apply to non-management directors in effect as at December 31, 2017.

Board Members (base fee)	\$40,000 <sup>(1)</sup>
Audit Committee Chair	\$6,000
Other Audit Committee Members	\$3,000
Compensation & Nominating Committee Chair	\$3,000
Technical Committee Chair	\$3,000
Other Committee Members	\$2,000

(1) Compensation & Nomination Committee approved an increase of Board Member base fee from \$20,000 to \$40,000 effective January 1, 2017.

Directors who are also officers and receive a salary from the Company do not receive any additional remuneration from the Company for serving as a director. All of the directors are entitled to reimbursement of any out-of-pocket expenses incurred in performing duties as a director and are entitled to participate in the Option Plan (see "*Outstanding Option-Based Awards*" below).

1,800,000 stock options were granted to the non-executive directors of the Company during the year ended December 31, 2017.

### **Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation**

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

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Company who were not NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Michaels	400,000 260,000 150,000 100,000 750,000 750,000	\$0.50 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	March 8, 2018 <sup>(2)</sup> December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$Nil \$27,300 \$30,750 \$22,500 \$Nil \$Nil	N/A	N/A	N/A

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Florian Siegfried	400,000 260,000 150,000 100,000 750,000 750,000	\$0.50 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	March 8, 2018 <sup>(2)</sup> December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$Nil \$27,300 \$30,750 \$22,500 \$Nil \$Nil	N/A	N/A	N/A
Frank Balint	500,000 330,000 190,000 100,000 300,000 300,000	\$0.35 \$0.25 \$0.15 \$0.13 \$0.60 \$0.50	May 22, 2018 December 19, 2018 January 20, 2020 December 14, 2020 August 12, 2021 April 10, 2022	\$2,500 \$34,650 \$38,950 \$22,500 \$Nil \$Nil	N/A	N/A	N/A

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's Common Shares on the Exchange on the last day of the most recently completed financial year, being \$0.27.

(2) Options with an expiry date of March 8, 2018 expired unexercised.

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

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year for the directors of the Company who were not NEOs.

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 (\$)
Patrick Michaels	\$8,500	N/A	N/A
Florian Siegfried	\$8,500	N/A	N/A
Frank Balint	\$8,500	N/A	N/A

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's Common Shares on the Exchange on the vesting date.

#### **AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 – Audit Committees is attached to this Circular as Schedule "A".

#### **CORPORATE GOVERNANCE DISCLOSURE**

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

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

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2017:

## **Equity Compensation Plan Information**

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders <sup>(2)</sup>	20,652,167	\$0.42	4,784,571
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>TOTAL</b>	<b>20,652,167</b>	<b>\$0.42</b>	<b>4,784,571</b>

(1) The foregoing information is presented as of December 31, 2017.

(2) Represents the Option Plan of the Company, which reserves a number of Common Shares equal to 10% of the then outstanding Common Shares from time to time for issue of stock options (4,784,571 options available under the plan as at December 31, 2017).

For further information on the Option Plan, refer to the heading "*Re-Approval of Rolling Stock Option Plan*".

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

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102, none of:

- a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- b) the proposed nominees for election as a director of the Company; or
- c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

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

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

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2017, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a director of the Company; or

- (c) any associate or affiliate of the foregoing persons,

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

#### **MANAGEMENT CONTRACTS**

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

#### **FINANCIAL STATEMENTS AND COPIES OF MEETING MATERIALS**

The audited financial statements of the Company as at and for the period ended December 31, 2017 (the “**Financial Statements**”), together with the Auditor’s Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor’s Report thereon and the Company’s management discussion and analysis (“**MD&A**”), are being mailed only to those Shareholders who are on the supplemental mailing list maintained by the Company’s registrar and transfer agent. Copies of the Financial Statements, together with the Auditor’s Report thereon and the Company’s MD&A, notice of Meeting, Circular and form of proxy will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and at the Company’s registered and records office at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia.

#### **ELECTION OF DIRECTORS**

The persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors at five (5). Although management is nominating five (5) individuals to stand for election. Other nominees may be put forward, provided that such nominations are made in accordance with the Company’s advance notice provision in its By-laws (the “**Advance Notice Provision**”).

At the Company’s annual general meeting held on June 12, 2014, shareholders passed a resolution amending the Company’s bylaws to include the Advance Notice Provision. The Advance Notice Provision provides shareholders, directors and management of the Company with direction on the process for the nomination of directors to the Board. The Advance Notice Provision establishes a deadline prior to any annual or special meeting of shareholders for a holder of record of Common Shares of the Company to submit notice to the Company of any director nominations by such registered shareholder (a “**Nominating Shareholder**”) and sets forth the information that a Nominating Shareholder must include in the notice to the Company for the nomination to be in the proper form.

The Advance Notice Provision provides, in part, that in the case of an annual meeting of shareholders, notice of a nomination must be provided by a Nominating Shareholder not less than 30 nor more than 65 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 60 days after the date on which the first public announcement of the date of the meeting was made (the “**Notice Date**”), notice of a nomination by the Nominating Shareholder must be made not later than the close of business on the tenth (10th) day following the Notice Date. In the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice of a nomination by the Nominating Shareholder must be made not later than the close of business on the tenth (10th) day following the day on which the first public announcement of the date of the meeting was made. In no event shall any adjournment, postponement, or reconvening of a meeting, or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

To be in proper form, the Advance Notice Provision provides that the Nominating Shareholder’s notice of nomination must set forth:

- i. as to each person whom the Nominating Shareholder proposes to nominate for election as a director, (A) the name, age, business address and residential address of the person, (B) the principal occupation or employment of the person (both present and within the five (5) years preceding the notice), (C) whether the person is a resident Canadian within the meaning of the *Canada Business Corporations Act* (the “**Act**”),

- (D) the number of securities of each class of voting securities of the Company which are, directly or indirectly, controlled, directed or owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act or any applicable securities laws; and
- ii. as to the Nominating Shareholder giving the notice, (A) the number of securities of each class of voting securities of the Company which are, directly or indirectly, controlled, directed or owned, beneficially or of record, by such person or any joint actors, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (B) full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or to direct or to control the voting of any shares of the Company, and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and any applicable securities laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee.

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the articles of incorporation of the Company.

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

#### **Information Concerning Nominees Submitted By Management**

The following table sets out required information regarding the persons nominated by management for election as a director. Each director will hold office until the next Annual General Meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the list of nominees, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the shares represented by proxy for the election of any other person or persons as directors. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity:

Name, Province and Country of ordinary residence <sup>(1)</sup> , and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years <sup>(1)</sup>	Date(s) serving as a Director	Common shares beneficially owned or controlled <sup>(1)</sup>
WILLIAM FISHER Ontario, Canada <i>Executive Chairman &amp; CEO</i>	CEO, GoldQuest (since September 2017), Executive Chairman, GoldQuest (since March 2011); Chairman, Rame Energy PLC (March 2014 to August 2016); President and Chief Executive Officer, Karmin Exploration (August 2001 to September 2011); Director, Horizonte Minerals PLC (since June 2011); Director, Treasury Metals Inc. (since August 2008).	July 5, 2010	1,654,500
JULIO ESPAILLAT Santo Domingo, Dominican Republic <i>Director</i>	Director, GoldQuest, President and Chief Executive Officer, GoldQuest (from March 2011 to September 2017); Vice President, Exploration, Globestar Mining Corporation (August 2000 to February 2011).	April 18, 2011	360,000

Name, Province and Country of ordinary residence <sup>(1)</sup> , and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years <sup>(1)</sup>	Date(s) serving as a Director	Common shares beneficially owned or controlled <sup>(1)</sup>
PATRICK MICHAELS <sup>(2)(3)</sup> Zurich, Switzerland <i>Director</i>	Director, Steppe Gold Ltd. (since October 2017), Chairman, Zuri-Invest AG, an asset management company (since 2014) and Asty Capital AG, an independent investment company focusing on precious metals and mining (since 1998); Executive Vice President, Precious Capital AG (2005-2014); Portfolio Manager Zuri-Invest (2002-2014); Director, Romarco Minerals Inc. (2006-2015).	June 30, 2011	950,000 <sup>(4)</sup>
FLORIAN SIEGFRIED <sup>(2)(3)</sup> Zurich, Switzerland <i>Director</i>	Sponsor of the Precious Capital Global Mining and Metals Fund, AgaNola Ltd., an independent asset management company (Since April 2014); Chief Executive Officer, Precious Capital AG (December 2008- April 2014); CEO of Shape Capital AG (2005-2007).	June 30, 2011	1,150,000
FRANK BALINT <sup>(2)(3)</sup> Ontario, Canada <i>Director</i>	Vice President – Corporate Development, Inmet Mining Corporation, a metal and mining company (2000 to March 2013).	May 22, 2013	500,000

- (1) The information as to ordinary residence, principal occupation and number of Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Denotes member of Audit Committee.
- (3) Denotes member of Compensation & Nominating Committee.
- (4) Does not include 400,000 Common Shares beneficially owned by Zuri-Invest AG. Mr. Michaels does not beneficially own or control the 400,000 Common Shares, but is the Chairman of Zuri-Invest AG.

#### **Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to the directors or executive officers of the relevant company that was in effect for a period of more than 30 consecutive days.

Other than as disclosed herein, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this 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;
- (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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director, or
  - (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. William (Bill) Fisher was non Executive Chairman of Rame Energy, an AIM listed renewables energy company, with operations in the UK and Chile. It listed in 2014. Following a failed attempt to raise new equity in the aftermath of the UK Brexit referendum, the directors of Rame Energy were unable to secure sufficient new working capital to allow the business to continue to trade solvently. On August 4, 2016, the directors applied to the court to have an administrator appointed to allow the business to seek a financing solution. On September 30, 2016, the main operations of the group were sold to a group of international investors. The court administration of the parent company, Rame Energy, is ongoing.

#### **APPOINTMENT AND REMUNERATION OF AUDITORS**

Davidson & Company LLP, Chartered Accountants is the Company's auditor, and was first appointed as the Company's auditor on January 30, 2014 by the Board, upon the recommendation of the Audit Committee of the Company.

Management recommends the re-appointment of Davidson & Company LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the Board. The persons named in the accompanying form of proxy intend to vote in favour of such re-appointment.

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

##### **Re-Approval of Rolling Stock Option Plan**

Under the policies of the Exchange, the Option Plan must be re-approved on a yearly basis by Shareholders. Accordingly, Shareholders will be asked to pass an ordinary resolution approving re-approving the Option Plan. The details of the Option Plan are set forth below, and the full text of the Option Plan is attached hereto as Schedule "C".

##### *Option Plan*

- The Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time.
- Full or part-time employees, officers or directors of the Company or its subsidiaries, persons providing or employed by a person providing management services to the Company, persons engaged to provide ongoing consultation services to the Company or entity controlled by the Company, persons engaged to provide investor relations services to the Company, or registered retired savings plans of any of the foregoing persons, are eligible to participate under the Option Plan.
- Options issued under the Option Plan may vest at the discretion of the board of directors, provided that (a) the number of shares which may be acquired pursuant to the Option Plan shall not exceed a specified number or percentage during the term of the optionee; and (b) options issued to investor relations employees must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.
- The number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange).

- The number of Common Shares reserved for issue to any Consultant (as defined in Policy 4.4 of the Exchange) in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant.
- The aggregate number of Common Shares reserved for issue to all Employees (as defined in Policy 4.4 of the Exchange) conducting Investor Relations Activities (as defined in Policy 4.4 of the Exchange) in any 12 month period under the Plan may not exceed 2% of the outstanding Common Shares at the time of grant.
- The number of Common Shares issued to any one person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding Common Shares at the time of exercise without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange).
- The exercise price per Common Shares for a stock option may not be less than the “market price” of Common Shares of the Company, meaning the closing price of the shares on the Exchange on the last trading day for which there was trading of the Company’s Common Shares.
- Stock options may have a term not exceeding five years.
- If the optionee ceases to be a director, officer, employee or consultant of the Company the options granted to such optionee may only be exercised within specified periods.
- Stock options are non-assignable and non-transferable.
- The Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Company’s corporate structure, or any other relevant change in the Company’s capitalization.
- If an option issued under the Option Plan expires, is cancelled or terminates for any reason prior to being exercised in full, the shares issuable pursuant to such option shall be added back to the number of shares reserved for issuance under the Option Plan and such shares will again become available for grant under the Option Plan.
- In the event that the term of an option expires during a period in which insiders are prohibited from trading in the Company’s securities by law, the policies of the Exchange, or any insider trading policy of the Company (a “**Blackout Period**”) or within 10 business days thereafter, the option shall expire on the date that is 10 business days following the conclusion of the Blackout Period.

*Option Plan Resolution*

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the re-approval of the Option Plan. To be approved, this resolution must be approved by the majority of votes cast by Shareholders at the Meeting.

The full text of the resolution re-approving the Option Plan is as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Company’s 10% rolling stock option plan is hereby authorized, approved and ratified.
2. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution.”

## **Other Matters**

As of the date of this Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

## **SHAREHOLDER PROPOSALS**

The final date by which the Company must receive a shareholder proposal for the purpose of paragraph 137(5)(a) of the Canada Business Corporations Act is 90 days before the anniversary date of the accompanying Notice of Meeting.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's annual financial statements and MD&A for its most recently completed financial year. Copies of the Company's Financial Statements and MD&A may also be obtained without charge upon request from the Company's head office, and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

## **DIRECTOR APPROVAL**

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

DATED at Toronto, Ontario, this 9<sup>th</sup> day of May, 2018.

*"Bill Fisher"*

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Bill Fisher  
Executive Chairman and Chief Executive Officer

**SCHEDULE "A"**

**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

**Item 1: The Audit Committee Charter**

**A. Part 1 – Purpose**

The purpose of the Committee is to:

- (a) Improve the quality of the Company's financial reporting;
- (b) Assist the Board of Directors to properly and fully discharge its responsibilities;
- (c) Provide an avenue of enhanced communication between the directors and external auditors;
- (d) Enhance the external auditor's independence;
- (e) Increase the credibility and objectivity of financial reports; and
- (f) Strengthen the role of the directors by facilitating in-depth discussions between directors, management and the external auditor.

**1. Definitions**

***“Accounting principles”*** has the meaning ascribed to it in National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

***“Affiliate”*** means a Company that is a subsidiary of another Company or companies that are controlled by the same entity;

***“Audit services”*** means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

***“Charter”*** means this Audit Committee charter;

***“Committee”*** means the committee established by and among certain members of the Board of Directors for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

***“Control Person”*** means any individual or Company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company;

***“Financially literate”*** has the meaning set out in the Instrument;

***“Immediate family member”*** means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

***“Instrument”*** means Multilateral Instrument 52-110;

**"MD&A"** has the meaning ascribed to it in National instrument 51-102;

**"Member"** means a member of the Committee;

**"National Instrument 51-102"** means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

**"Non-audit services"** means services other than audit services.

## **B. Part 2 – Audit Committee**

The Board of Directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

### **1. Relationship with External Auditor**

The Company will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2. Committee Responsibilities**

- a) The Committee shall be responsible for making the following recommendations to the Board of Directors:
  - i) The external 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
  - ii) The compensation of the external auditor.
- b) The Committee shall be directly responsible for overseeing the work of the external 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 external auditor regarding financial reporting. This responsibility shall include:
  - i) Reviewing the audit plan with management and the external auditor;
  - ii) Reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - iii) Questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - iv) Reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - v) Reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
  - vi) Reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weaknesses;
  - vii) Reviewing interim unaudited financial statements before release to the public;

- viii) Reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
  - ix) Reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - x) Reviewing the terms of reference of the internal auditor, if any;
  - xi) Reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - xii) Reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
- c) The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.
- d) The Committee shall review the Company's financial statements, MD&A, and annual and interim earnings press releases before the Company publicly discloses this information.
- e) The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
- f) When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
- g) The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.
- h) The Committee shall, as applicable, establish procedures for:
- i) The receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - ii) The confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
- i) As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
- j) The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

### **3. De Minimus Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(4) of the Instrument if:

- a) The aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;

- b) The Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) The services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

**4. Delegation of Pre-Approval Function**

- a) The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
- b) The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

**C. Part 3 – Composition**

- a) The Committee shall be composed of a minimum of three Members.
- b) Every Member shall be a director of the issuer.
- c) The majority of Members shall not be employees, Control Persons or officers of the Company.
- d) If practicable, given the composition of the directors of the Company, each Audit Committee member shall be independent and financially literate.

**D. Part 4 – Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- a) Engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) Set and pay the compensation for any advisors employed by the Committee,
- c) Communicate directly with the internal and external auditors; and
- d) Recommend the amendment or approval of audited and interim financial statements to the Board of Directors.

**E. Part 5 – Disclosure in Information Circular**

If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board of Directors, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

**F. Part 6 – Meetings**

- a) Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
- b) Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
- c) Minutes shall be kept of all meetings of the Committee.

## **Item 2: Composition Of The Audit Committee**

The current members of the Committee are Messrs. Siegfried (chair), Michaels and Balint. A member of the audit committee is considered financially literate if the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company. A member of the audit committee is considered independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of the directors, reasonably interfere with the exercise of a member's independent judgment.

All of the current members are considered financially literate. In the Board's view, all of the members of the Committee are considered to be independent.

## **Item 3: Relevant Education And Experience**

The members of the Committee have acted as directors or officers of various public companies which has provided them with the experience relevant to their performance of their responsibilities as Committee members. All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

### *Patrick Michaels*

Patrick Michaels is the Chairman of Zuri-Invest AG and the Chairman of Asty Capital AG in Zurich, Switzerland. Mr. Michaels has been involved in numerous financings of gold mines in North America and is a well-respected financial adviser and fund manager throughout Europe. Mr. Michaels has extensive experience in the fields of mining finance, fund management and asset allocation. Mr. Michaels has a background in law and economics, and did his training in the areas of private banking and investment research at UBS in Zurich. Additionally, he attended post-graduate courses at the Colorado School of Mines in Denver, Colorado. Mr. Michaels was previously on the audit committee of Romarco Minerals Inc.

### *Florian Siegfried*

Florian Siegfried is the sponsor of the Precious Capital Global Mining and Metals Fund. Before that he served as Chief Executive Officer of Precious Capital AG, a Zurich-based fund manager specializing in global mining investments. Previously he was the CEO of Shape Capital Ltd., a SIX Swiss Exchange-listed private equity company. He is also an independent director of PPX Mining Corp. Mr. Siegfried holds a master's degree in finance and economics from the University of Zurich and a post-graduate degree in accounting from the University of Lucerne.

### *Frank Balint*

Frank Balint is a seasoned mining executive with over 35 years of broad ranging practical experience in the mining industry. Mr. Balint has been involved in all aspects of the mining life cycle from exploration, through discovery, ore reserves, feasibility, financing, acquisition, development and closure. Frank possesses strong technical skills backed up by a solid financial experience base that have resulted a strong exploration and acquisition track record. As a senior member of the executive team at Inmet for nearly 20 years, he has had significant involvement with shaping, communicating, winning board support and executing a successful corporate strategy that saw Inmet grow from a market cap of less than \$200 million to over \$5 billion when purchased by First Quantum in March of 2013. Mr. Balint was also a former director of Wolfsen Resources Inc., a TSX listed company who was sold to Zinifex in 2007 for \$363 million. Mr. Balint is a licensed professional geologist (P. Geo) in Ontario and is currently a director of AmAuCu Mining Corporation.

## **Item 4: Audit Committee Oversight**

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

#### **Item 5: Reliance On Certain Exemptions**

During the most recently completed financial year, the Company did not rely on the exemptions contained in sections 2.4 or 8 of the National Instrument 52-110 (the “**Instrument**”). Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

#### **Item 6: Pre-Approval Policies And Procedures**

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

#### **Item 7: External Auditor Service Fees (By Category)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows:

	FYE 2017	FYE 2016
Audit fees for the year ended	\$40,000	\$35,000
Audit related fees	Nil	Nil
Tax fees <sup>(1)</sup>	\$4,250	\$4,250
All other fees (non-tax)	Nil	Nil
Total Fees:	\$44,250	\$39,250

(1) “Tax Fees” include fees for all tax services other than those included in “Audit Fees”. This category includes fees for tax compliance, tax planning and general tax advice, including T2 tax filing.

#### **Item 8: Exemption**

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

**SCHEDULE "B"**

**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**  
**(VENTURE ISSUERS)**

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

**Item 1: Board Of Directors**

The Board of Directors of the Company (the “**Board**”) facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board. Should the Board believe it necessary, meetings of the Board may be held absent those directors who are not “independent” or non-independent directors may be excused from all or a portion of meetings where a potential conflict arises, may arise, or where otherwise appropriate.

<b>Director</b>	<b>Independence</b>
Frank Balint	Independent
Julio Espaillat	Not independent – Former President and CEO of the Company
William Fisher	Not independent - Executive Chairman and CEO of the Company
Patrick Michaels	Independent
Florian Siegfried	Independent

Each of Mr. Patrick Michaels, Mr. Florian Siegfried and Mr. Balint is “independent” in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Mr. Julio Espaillat, as the Former President and CEO of the Company and Mr. William Fisher as the Executive Chairman and CEO of the Company, are deemed not to be “independent”.

**Item 2: Directorships**

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

<b>Name</b>	<b>Other Reporting Issuer</b>
William Fisher	Horizonte Minerals PLC Treasury Metals Inc.
Florian Siegfried	PPX Mining Corp
Patrick Michaels	Steppe Gold Ltd.

### **Item 3. Orientation And Continuing Education**

The Board does not currently have formal procedures or a program for the orientation of new board members, or for the continuing education of Board members. Inquiries are handled by the Board on a case by case basis with outside consultation, if required.

### **Item 4: Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. In addition to operating independently from management, the independent members of the board monitor on an ongoing basis the activities of management to ensure that the highest standard of ethical conduct is maintained.

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

### **Item 5: Nomination Of Directors**

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

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

### **Item 6: Compensation**

The compensation of the directors and the Chief Executive Officer (CEO) of the Company is determined by the Compensation & Nominating Committee. The compensation of the CEO of the Company is determined on the basis of the day-to-day duties and responsibilities associated with this position as well as the CEO's qualifications, experience, length of service and past contributions. In addition, the CEO may receive discretionary bonuses as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. The compensation of the directors is determined by comparison with the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies. The Board intends to conduct a review with regard to directors' compensation and thereafter review such compensation once a year.

### **Item 7: Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees, and through so doing, satisfies itself that the Board,

the committees and the individual directors are performing effectively. This review process relates directly to the description of the duties and responsibilities of management, the Board and to the mandates of the Board's committees.

## SCHEDULE "C"

### GOLDQUEST MINING CORP.

#### STOCK OPTION PLAN

##### **1. Purpose**

The purpose of this stock option plan (the "Plan") is to authorize the grant to service providers for GoldQuest Mining Corp. (the "Corporation") of options to purchase common shares ("shares") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate service providers by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

##### **2. Administration**

The Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the "Committee"). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under the Plan.

##### **3. Shares Subject to Plan**

Subject to adjustment under the provisions of paragraph 12 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed 10% of the shares issued and outstanding of the Corporation at the time of the grant. The total number of shares which may be reserved for issuance to any one individual under the Plan shall not exceed 5% of the outstanding issue. If an option issued pursuant to the Plan expires, is cancelled, or terminates for any reason prior to its exercise in full, the shares issuable pursuant to such option shall be added back to the number of shares reserved for issuance under the Plan and such shares will again become available for grant under the Plan. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. **If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.**

##### **4. Limits with Respect to Insiders**

- (a) The maximum number of shares which may be reserved for issuance to insiders under the Plan, any other employer stock option plans or options for services, shall be 10% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- (b) The maximum number of shares which may be issued to insiders under the Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue. The maximum number of shares which may be issued to any one insider and his or her associates under the Plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the shares outstanding at the time of the grant (on a non-diluted basis).

##### **5. Eligibility**

Options shall be granted only to service providers for the Corporation. The term "service providers for the Corporation" means (a) any full or part-time employee ("Employee"), Officer or Director of the Corporation or any of its subsidiaries; (b) any other person employed by a company or individual providing management services to the Corporation ("Management Company Employee"); (c) any other person or company engaged to provide ongoing consulting services for the Corporation or any entity controlled by the Corporation ("Consultant") or (d) any individual engaged to provide services that promote the purchase or sale of the issued securities ("Investor Relations Employee") (any person in (a), (b), (c) or (d) hereinafter

referred to as an “Eligible Person”); and (e) any registered retirement savings plan established by such Eligible Person, or any corporation controlled by such Eligible Person, the issued and outstanding shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Person. For stock options to Employees, Consultants or Management Company Employees, the Corporation and the optionee are responsible for ensuring and confirming that the optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be. The terms “Director”, “Officer”, “insider”, “controlled” and “subsidiary” shall have the meanings ascribed thereto in the Securities Act (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

## **6. Limits with Respect to Consultants and Investor Relations Employees**

- (a) The maximum number of shares which may be reserved for issuance to any one Consultant in any twelve month period, under the Plan, any other employer stock option plans or options for services, shall be no more than 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- (b) The maximum number of shares which may be reserved for issuance to Investor Relations Employees in any twelve month period, under the plan, any other employer stock option plans or options for services, shall be no more than an aggregate of 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

## **7. Price**

The purchase price (the “Price”) for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, shall not be less than the market price, where “market price” shall mean the closing price of the shares of the Corporation on any stock exchange on which the shares are listed, on the last trading day for which there was trading of the Corporation’s shares.

## **8. Period of Option and Rights to Exercise**

Subject to the provisions of this paragraph 8 and paragraphs 9, 10 and 17 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding five years. Notwithstanding the foregoing, in the event that the term of an option expires during a period of time in which insiders are prohibited from trading in the Corporation’s securities by law, by the policies of any stock exchange on which the Corporation’s shares are listed, or as provided by the Corporation’s insider trading policy, as it may be implemented and amended from time to time (a “Blackout Period”) or within 10 business days thereafter, the option shall expire on the date that is 10 business days following the conclusion of the Blackout Period. The shares to be purchased upon each exercise of any option (the “optioned shares”) shall be paid for in full at the time of such exercise. Except as provided in paragraphs 9, 10 and 17 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

## **9. Cessation of Provision of Services**

Subject to paragraph 10 below, if any optionee who is a service provider shall cease to be a service provider for the Corporation for any reason (whether or not for cause) the optionee may, but only within the period of ninety days, or thirty days, if the service provider is an Investor Relations Employee, next succeeding such cessation and in no event after the expiry date of the optionee’s option, exercise the optionee’s option unless such period is extended as provided in paragraph 10 below.

## **10. Death of Optionee**

In the event of the death of an optionee during the currency of the optionee’s option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee’s death. Before expiry of an option under this paragraph 10, the board of directors or Committee, as applicable, shall notify the optionee’s representative in writing of such expiry.

**11. Non-Assignability and Non-Transferability of Option**

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by laws of descent and distribution, and such option shall be exercisable during an optionee's lifetime, only by the optionee.

**12. Adjustments in Shares Subject to Plan**

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price of the options of an insider of the Corporation, the Corporation will be required to obtain approval from the disinterested shareholders.

**13. Amendment and Termination of the Plan**

The board of directors or Committee, as applicable, may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.

**14. Effective Date of the Plan**

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

**15. Evidence of Options**

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

**16. Exercise of Option**

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

**17. Withholding**

The Corporation may withhold from any amount payable to an optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("Withholding Obligations"). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the optionee's behalf, or requiring the optionee to sell, any Shares acquired by the optionee under the Plan, or retaining any amount which would otherwise be payable to the optionee in connection with any such sale.

## **18. Vesting Restrictions**

Options issued under the Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that (a) the number of shares which may be acquired pursuant to the Plan shall not exceed a specified number or percentage during the term of the optionee; and (b) options issued to Investor Relations Employees must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.

## **19. Notice of Sale of all or Substantially all Shares or Assets**

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Accelerated Event (as defined below); or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Accelerated Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 12 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfillment of any conditions or restrictions on such exercise.

For these purposes, an Accelerated Event means:

- (a) the acquisition by an "offeror" (as defined in Part XX of the Securities Act (Ontario)) of beneficial ownership or more than 50% of the outstanding voting securities of the Corporation, by means of a takeover bid or otherwise;
- (b) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the assets of the Corporation; or
- (d) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

## **20. Rights Prior to Exercise**

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

## **21. Governing Law**

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

**22. Expiry of Option**

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

(Intentionally Blank)

