



## MANAGEMENT INFORMATION CIRCULAR

INFORMATION PROVIDED AS AT MAY 12, 2017 (*unless otherwise stated*)  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 23, 2017

### PERSONS MAKING THE SOLICITATION

**This Management Information Circular (the “Circular”) is being furnished in connection with the solicitation of proxies being made by or on behalf of the management of Arizona Mining Inc. (the “Corporation” or “Arizona Mining”) for use at the annual general and special meeting (the “Meeting”) of holders (the “Shareholders”) of the common shares of the Corporation (the “Common Shares”) to be held on Friday, June 23, 2017 at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).**

While it is expected that the solicitation of proxies will be made primarily by mail, proxies may also be solicited personally, by telephone or other means of communication by the directors, officers, employees and agents of the Corporation. All costs of this solicitation will be borne by the Corporation.

The Corporation is sending paper copies of the Notice of Meeting, this Circular and the form of proxy or voting instruction form (collectively, the “**Meeting Materials**”) to registered and non-registered Shareholders and is not relying on the “notice-and-access” provisions of Canadian securities laws. The Corporation intends to reimburse any intermediaries for permitted fees and costs incurred by them in connection with the mailing of the Meeting Materials to beneficial Shareholders.

Unless otherwise indicated, all dollar amounts in this Circular are in United States dollars. The exchange rate of Canadian dollars into United States dollars based upon the noon exchange rate reported by the Bank of Canada on December 31, 2016, was C\$1.00 = US\$1.3427.

### APPOINTMENT OF PROXIES

The individuals named as proxyholders in the accompanying form of proxy are directors or officers of the Corporation or both. **A REGISTERED SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER OR ON THE SHAREHOLDER’S BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, HAS THE RIGHT TO DO SO, BY INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER VALID FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (the “Transfer Agent”), at the following address: Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chair of the Meeting at their discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

### NON-REGISTERED SHAREHOLDERS

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “beneficial Shareholders”) should note that only registered Shareholders (or duly appointed proxyholders) may**

**complete a proxy or vote at the Meeting in person.** If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the beneficial Shareholders. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for their clients.

The Meeting Materials are being sent to both registered Shareholders and beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Corporation is taking advantage of the provisions of NI 54-101 to send the Meeting Materials directly to the Corporation's NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a voting instruction form (a “**VIF**”) as part of the Meeting Materials. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided. By choosing to send these materials directly to NOBOs, the Corporation (and not the intermediary holding on behalf of the NOBOs) has assumed responsibility for (i) delivering these materials to the NOBOs, and (ii) executing proper voting instructions. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs to the Transfer Agent.**

Should a NOBO wish to attend the Meeting in person and vote its Common Shares, the NOBO must insert its name (or the name of such other person as the NOBO wishes to attend the Meeting and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF to the Transfer Agent. Alternatively, the NOBO can submit to the Corporation or the Transfer Agent a written request that the NOBO or its nominee be appointed as proxyholder. In such circumstances, with respect to proxies held by management of the Corporation in respect of Common Shares owned by the NOBO so requesting, the Corporation must arrange, without expense to the NOBO, to appoint the NOBO or its nominee as a proxyholder in respect of those Common Shares. Under NI 54-101, if the Corporation appoints a NOBO or its nominee as a proxyholder as aforesaid, the NOBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or postponement thereof, unless applicable corporate laws do not permit the giving of that authority. Pursuant to NI 54-101, if the Corporation appoints a NOBO or its nominee as proxyholder as aforesaid, the Corporation must deposit the proxy within the timeframe specified above for the deposit of proxies if the Corporation obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or its nominee is approved as a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

**NOBOs that wish to change their vote must contact the Transfer Agent to arrange to change their vote in sufficient time in advance of the Meeting.**

In accordance with the requirements of NI 54-101, we have distributed copies of the Meeting Materials to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge Investor Communications Solutions, Canada and its counterpart in the United States to forward the Meeting Materials to OBOs. With those Meeting Materials, intermediaries or their service companies should provide OBOs of Common Shares with a request for a VIF which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own. The Corporation will pay for intermediaries to deliver the Meeting Materials and request for a VIF to OBOs. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

Should an OBO wish to attend the Meeting in person and vote its Common Shares, the OBO must insert its name (or the name of such other person as the OBO wishes to attend the Meeting and vote on the OBO's behalf) in the blank space provided for that purpose on the request for a VIF and return the completed request for a VIF to the intermediary or its service provider. Alternatively, the OBO can submit to the applicable intermediary a written request that the OBO or its nominee be appointed as proxyholder. In such circumstances, an intermediary who is the registered holder of, or holds a proxy in respect of, the Common Shares owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as a proxyholder in respect of those Common Shares. Under NI 54-101, if an intermediary appoints an OBO or its nominee as a proxyholder as aforesaid, the OBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or postponement thereof, unless applicable corporate laws do not permit the giving of that authority. Pursuant to NI 54-101, an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the OBO or its nominee is appointed a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

**Only registered Shareholders have the right to revoke a proxy. NOBOs and OBOs of Common Shares who wish to change their vote must, sufficiently in advance of the Meeting, arrange for their respective intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the revocation procedures set out below.**

All references to Shareholders in this Circular and the other Meeting Materials are to registered Shareholders unless specifically stated otherwise.

#### **REVOCAION OF PROXIES**

A registered Shareholder who has delivered a proxy for use at the Meeting may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either (i) to the registered office of the Corporation, at Suite 2600, 595 Burrard Street, Vancouver, British Columbia V7X 1L3, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, (ii) to the Transfer Agent at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 (attention Proxy Department), at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or (iii) to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **VOTING OF PROXIES**

The Common Shares represented by a properly executed proxy in favour of the individuals designated as management proxyholders in the enclosed form of proxy will:

- a. be voted or withheld from voting in accordance with the instructions of the person appointing the management proxyholder on any ballot that may be called for; and
- b. where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

If, however, direction is not given in respect of any matter, the proxy will be voted as recommended by management of the Corporation.

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

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) has fixed a record date as of the close of business on May 12, 2017 (the “**Record Date**”) for the purpose of determining the Shareholders of record that will be entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof.

As at the Record Date, there were a total of 250,666,630 Common Shares outstanding. Except as may otherwise be set forth herein, each Common Share entitles the holder thereof to one vote for each Common Share shown as registered in the holder's name as of the Record Date. Only registered Shareholders at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, controls or directs, directly or indirectly, 10% or more of the voting rights attached to any class of voting securities of the Corporation as of the Record Date, other than the following:

Name	Number of Shares Beneficially Owned	Percentage of Issued Shares
Richard W. Warke <sup>(1)</sup>	84,171,519	33.58%

(1) Richard Warke directly holds 7,362,318 Common Shares and indirectly holds (i) 21,411,610 Common Shares through Augusta Investments Inc. a company controlled by Mr. Warke; (ii) 55,365,675 Common Shares through Augusta Capital Corporation, a company that Mr. Warke has control and direction over; and (iii) 31,916 Common Shares through The Warke Family Trust of which Mr. Warke is a beneficiary.

## ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2016, together with the report of the Corporation's auditors thereon, which were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on March 30, 2017, will be presented to the Shareholders at the Meeting. Shareholders wishing to obtain a copy of the Corporation's audited consolidated financial statements and Management's Discussion and Analysis may obtain a copy, free of charge, from the Corporation's profile on SEDAR, the Corporation's website at [www.arizonamining.com](http://www.arizonamining.com) or from the Corporation by contacting the Corporation at the following:

Arizona Mining Inc.  
Suite 555 – 999 Canada Place  
Vancouver, British Columbia V6C 3E1

Telephone: (604) 687-1717 Fax: (604) 687-1715  
Email: [info@arizonamining.com](mailto:info@arizonamining.com)

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting except with respect to the election of directors.

## ELECTION OF DIRECTORS

At the date of this Circular there were six directors of the Corporation. The present term of office of each of these six directors will expire immediately prior to the election of directors at the Meeting. Management intends to present a resolution at the meeting to fix the number of directors of the Corporation at six (6). Management of the Corporation does not contemplate that any of the nominees will be unable to serve as directors. Each director will hold office until the next annual meeting of the Corporation or until his successor is appointed or elected, unless his office is earlier vacated in accordance with the By-Laws of the Corporation or with the provisions of the *Business Corporations Act (British Columbia)*.

At the Meeting, the individuals nominated for election as directors of the Corporation will be voted on individually and the voting results for each nominee will be publicly disclosed in a news release. **Unless such authority is withheld by a Shareholder, the management proxyholder named in the accompanying form of proxy or VIF intend to vote “FOR” the election of the individuals whose names are set out below.**

Pursuant to the Advance Notice Policy of the Corporation, any additional director nominations to be considered at the

Meeting must have been received by the Corporation in compliance with the Advance Notice Policy no later than May 23, 2016. As no such nominations were received by the Corporation prior to such date, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director of the Corporation, the country in which he is ordinarily resident, all offices of the Corporation currently held by him, his principal occupation, the business or employments of each proposed director within the preceding five years, the date he was first appointed as a director of the Corporation and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the Record Date.

Name of Proposed Director and Current Position with the Company and location of residence	Principal Occupation, Business or Employment During the Past Five Years <sup>(1)</sup>	Date First Appointed as Director of the Corporation	Number of Common Shares beneficially owned, controlled or directed, directly or indirectly <sup>(1)</sup>
James (Jim) Gowans President, CEO and Director Surrey, BC, Canada	President, CEO and Director of the Corporation. Co-President of Barrick Gold Corporation from July 2014 to August 31, 2015, Executive Vice President and Chief Operating Officer of Barrick Gold Corporation from January 2014 to July 2014; Managing Director of Debswana Diamond Company (Pty) Ltd. from 2011 to 2014.	January 1, 2016	700,000
Poonam Puri <sup>(2)</sup> Director Toronto, ON, Canada	Professor of Law, Osgoode Hall Law School, York University since 1997. Affiliated scholar, Davies Ward, Phillips & Vineberg LLP since September 2014.	May 27, 2015	119,000
Donald R. Siemens <sup>(2)</sup> Director Langley, BC, Canada	Independent financial advisor specializing in corporate finance, cross-border transactions and mergers and acquisitions.	August 15, 2014	Nil
Donald Taylor COO and Director Glendale, CO, USA	COO and Director of the Corporation; President of the Corporation; Vice President, Exploration of the Company between June 2010 and May 2012;	February 12, 2015	910,930
Robert P. Wares <sup>(2)</sup> Director Montreal, QC, Canada	Executive Vice President, Exploration and Resource Development for Osisko Mining since October 2016; Chief Geologist for Osisko Gold Royalties Ltd. from September 2014 to October 2016; President and CEO of NioGold Mining Corporation from September 2014 to March 2016;	May 5, 2006	5,665,884
Richard W. Warke <sup>(3)</sup> Executive Chairman and Director West Vancouver, BC, Canada	Executive Chairman, CEO and Director of the Corporation; Director, President and CEO of Catalyst Copper Corp. from September 2014 to May 2016; Director and Executive Chairman of NewCastle Gold Ltd. since May 2016; Director and Executive Chairman of Augusta Resource Corporation to July 2014;	July 3, 2008	84,171,519

- (1) This information has been furnished by the respective directors, individually. The directors listed may be directors of other reporting issuers. Details with respect to other directorships are provided under the heading entitled "Statement of Corporate Governance Practices".
- (2) Denotes member of Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee.
- (3) Richard Warke directly holds 7,362,318 Common Shares and indirectly holds (i) 21,411,610 Common Shares through Augusta Investments Inc. a company controlled by Mr. Warke; (ii) 55,365,675 Common Shares through Augusta Capital Corporation, a company that Mr. Warke has control and direction over; and (iii) 31,916 Common Shares through The Warke Family Trust of which Mr. Warke is a beneficiary.

The Board has adopted a majority voting policy (the "Majority Voting Policy") that stipulates that, in an uncontested election of directors, if a nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, the nominee will immediately submit his or her resignation to the Chair of the Board for consideration following the meeting (to take effect immediately upon acceptance by the Board). The Nominating and Corporate Governance Committee will consider the offer of resignation and will make a recommendation to the Board of whether or not to accept it. The Board shall review, consider and act on the Nominating and Corporate Governance Committee's recommendation within 90 days following the applicable meeting of the shareholders of the Company. The Board shall accept the resignation absent exceptional circumstances that would warrant the nominee to continue to serve on the Board. The Company will promptly issue a press release announcing the Board's decision, and a copy of that press release will be provided to the Toronto Stock Exchange ("TSX"). If the Board declines to accept the resignation, the press release shall fully state the reasons for its decision. Any director who tenders his or her resignation shall not participate in any Nominating and Corporate Governance Committee or Board meetings at which his or her resignation is considered. The Majority Voting Policy does not apply in circumstances involving contested director elections.

## CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

At the year ended December 31, 2016, except for as provided below, no proposed director of the Corporation is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that (i) was subject to a cease trade or similar order or an order that denied such company access to any exemption under securities legislation (that was in effect for a period of more than 30 days) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to any such order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer:

The Corporation requested and received notice from the British Columbia Securities Commission of the issuance of a management cease trade order (the “**MCTO**”) on October 30, 2007 in connection with the late filing of its annual audited consolidated financial statements for the fiscal year ending June 30, 2007. Its failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008. Robert Wares, a director of the Corporation, was a director of the Corporation at the time the order was issued.

Donald Siemens has been a director of Great Western Minerals Group Ltd. (“**GWMG**”) since January 2014. Pursuant to an application by GWMG, in accordance with National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults, a management cease trade order was issued by the Financial and Consumer Affairs Authority of Saskatchewan, GWMG’s principal regulator, on April 2, 2015, due to GWMG’s failure to file certain required continuous disclosure documents. On April 30, 2015, GWMG announced that it entered into a support agreement with holders of approximately 65.3% of GWMG’s US\$90 million secured convertible bonds outstanding (the “**Supporting Bondholders**”) pursuant to which GWMG, with the support of the Supporting Bondholders, would commence an orderly process for the solicitation of interests in the GWMG’s business, property and assets by way of a sale and investor solicitation process to be implemented pursuant to proceedings commenced by GWMG under the Companies’ Creditors Arrangement Act. On May 11, 2015, the Financial and Consumer Affairs Authority of Saskatchewan issued a cease trade covering all securities of GWMG.

No proposed director of the Corporation is or 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.

### **Penalties or Sanctions**

No proposed director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement, with a securities regulatory authority, or (b) 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.

## APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote to re-elect PriceWaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration. PriceWaterhouseCoopers LLP were first appointed auditors of the Corporation on April 23, 2009.

## STATEMENT OF EXECUTIVE COMPENSATION

### **Compensation Discussion and Analysis**

The following information describes the significant elements of compensation paid to the Corporation’s Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the three most highly compensated executive officers, other than the CEO and CFO who were serving as executive officers during the most recent fiscal year (the “**Named Executive Officer(s)**”

or “NEO(s)”), provided that disclosure is not required for an executive officer whose total compensation, as defined, does not exceed C\$150,000. For the year ended December 31, 2016, the Corporation’s NEOs were: Richard W. Warke – Executive Chairman and Director, Donald Taylor - Chief Operating Officer (“COO”) and Director, James Gowans – CEO and Director, Paul Ireland – CFO, and Gregory F. Lucero – Vice President, Community and Government Affairs.

The Board has established a Compensation Committee whose mandate is to develop and recommend compensation policies and programs to the Board with the objective of ensuring the Corporation is able to attract, retain and motivate executives and key personnel to develop and implement the Corporation’s strategic goals. For the year ended December 31, 2016 the Compensation Committee was comprised of three independent directors namely: Robert P. Wares (Chairman), Don Siemens and Poonam Puri. Each member of the Compensation Committee has direct experience in executive compensation matters as directors of other companies, which experience assists in evaluating the suitability of the Corporation’s compensation practices and policies.

In consultation with the President and the CEO, the Compensation Committee reviews and recommends, as required on an annual basis, the process, evaluation and determination of the various elements of compensation for the Corporation’s executive officers. The Corporation is dependent on individuals with specialized skills and knowledge related to the exploration and development of mineral prospects, corporate finance and management. The objective of the Compensation Committee is to assist in attracting, retaining and motivating executives and key personnel with these skills and in view of the Corporation’s goals. In reviewing the compensation arrangements of the Corporation’s executive officers, the Compensation Committee will consider the fairness to Shareholders and investors, the Corporation’s requirements and market competitiveness in order to attract and retain capable and experienced personnel, reward performance and such other objectives as the Compensation Committee considers advisable.

The Compensation Committee has the authority to engage independent consultants as necessary to assist it in performing its mandate including assessing the competitiveness of the Corporation’s compensation program. The last time the Compensation Committee did a market analysis of the compensation paid to the Corporation’s executives was in 2013. At that time, the Compensation Committee engaged Roger Gurr & Associates (“Roger Gurr”) to perform a market comparison (the “**Compensation Survey**”) and develop recommendations. The Compensation Survey revealed a lack of leadership talent available in the industry in spite of the economic slowdown in the sector. Consequently, the Corporation believes there is a need to continue providing competitive compensation to the executive and management team at the Corporation particularly given the present stage of the Hermosa project and the plans for developing and increasing Shareholder value for such assets.

In completing the Compensation Survey, Roger Gurr completed a comparative financial, pay (by component) and pay-for-performance assessment including a review of total internal pay structure (base salary + STIP + LTIP). The assessment included benchmarking with companies equivalent in size (or slightly larger), in the exploration and development phase, focused on precious metals (primarily silver) with properties primarily in the Americas and a market capitalization in the range of \$50 - \$500 million.

The peer group not only provided benchmarking details but offered comparative compensation details and delivery methods, comparative performance analysis, as well as appropriate and competitive pay delivery methodologies. Companies selected in the peer group analysis may not squarely match the Corporation but are companies that the Corporation competes with for executive talent being the most important criteria. As a result some early stage silver producers are included as comparators. A comparator group of 24 mining exploration companies was developed at the time and included companies such as Alexco Resource Corp. Arian Silver Corporation, Aurcana Corporation, Bear Creek Mining Corporation, Excellon Resources Inc., Golden Minerals Company, Great Panther Silver Limited, Levon Resources Ltd., MAG Silver Corp., Midway Gold Corp., Mines Management Inc., Sabina Gold and Silver Corp., Silver Bear Resources Inc., Silver Bull Resources, Inc. and TriMetals Mining Inc.

In implementing and maintaining appropriate levels of compensation (salary, bonus opportunity and stock options) reference is made to median market with a reasonable approach which is fair to Shareholders and competitive for executives and directors.

### **Elements of Compensation**

The compensation for the Corporation’s executive officers is comprised of three elements: base salary, discretionary bonus (“STIP”) and a long term incentive program (“LTIP”) comprised of incentive stock options granted pursuant to the

Corporation’s Amended and Restated Stock Option Plan dated May 27, 2015 (the “**Option Plan**”). This compensation structure is intended to reward performance and be competitive with the compensation arrangements of other companies of similar size and scope in the industry.

***Base Salary***

Base salary for the Corporation’s executive officers is established taking into account each executive’s responsibilities, performance assessment and career experience. To ensure that the Corporation will continue to attract and retain qualified and experienced executives, base salaries may be reviewed annually by the Compensation Committee and adjusted to ensure that they remain at or above the median for comparable companies.

***Bonus (STIP)***

The STIP is intended to motivate and reward executives for the achievement of short term goals and their contribution to the business objectives during the relevant year. The amount of bonus payments under the STIP is at the discretion of the Compensation Committee and ultimately the Board. The Compensation Committee reviews and recommends bonus payments based on a combination of individual and corporate performance against a target percentage of the executive’s salary as approved by the Board. As compared to other executives, the compensation of the CEO is weighted more against the Corporation's performance

The table below sets forth the percentage of each NEO’s base salary that would be paid as a STIP payment assuming full achievement of the target objectives. Elements of STIP (and achievement of “target” performance) are based on objectives that are set annually and may include personal, operational and corporate objectives.

<b>Position in Organization</b>	<b>STIP Payout as Percentage of Base Salary on Meeting Target Performance</b>
Richard Warke Executive Chairman and Director	50%
James Gowans President and CEO	50%
Donald Taylor COO and Director	50%
Paul Ireland CFO	40%
Greg Lucero Vice President, Community & Government Affairs	30%

***Long Term Incentive Compensation (LTIP)***

The Corporation’s LTIP is currently comprised of incentive stock option grants pursuant to its Option Plan. The purpose of the Option Plan is to secure for the Corporation and the Shareholders the benefits of the incentives inherent to common share ownership by officers, directors and other eligible persons who, in the judgment of the Board, will have a sufficient role in the Corporation's growth and success.

Stock options are typically granted during the first quarter of the year following review of the prior year. The Compensation Committee recommends the granting of stock options taking into account the relative performance of each NEO to the long-term goals of the Corporation, the base pay and level of stock options previously granted to each NEO and the relative levels of stock options granted to NEO’s of comparable companies. Refer to the column entitled “Option-Based Awards” in the Summary Compensation Table for further details with respect to stock options awarded to NEO’s for the three most recently completed financial years.

***Amended and Restated Option Plan - Summary***

Pursuant to the policies of the TSX, all unallocated options, rights or other entitlements under a security based compensation arrangement that does not have a fixed maximum number of securities issuable must be approved by the listed issuer's securityholders every three years after the institution of the arrangement. The Option Plan is a “rolling” plan such that the number of securities granted under the Option Plan can be up to a maximum of 10% of the issued and outstanding common

shares of the Corporation at the time of the grant on a non-diluted basis, and such aggregate number of common shares shall increase or decrease as the number of issued and outstanding common shares changes.

The summary of the Option Plan set out below is intended to be a brief description and is subject to and qualified in its entirety by the full text of the Option Plan. Capitalized terms used in the following section "Summary of the Option Plan" but not otherwise defined in the Circular have the meanings given to them in the Option Plan.

#### *Summary of the Option Plan*

The purpose of the Option Plan is to secure for the Corporation and the Shareholders the benefits of the incentives inherent to common share ownership by officers, directors and other eligible persons who, in the judgment of the Board, will have a sufficient role in the Corporation's growth and success.

Directors, officers and employees of, and consultants to, the Corporation or any of its Subsidiaries, as well as employees of companies providing management services or support to the Corporation or any of its Subsidiaries, are eligible to receive Option grants under the Option Plan. Subject to Board discretion, certain grants to citizens or residents of the United States will be considered "Incentive Stock Options" and will qualify as such under U.S. federal income tax laws.

The Option Plan includes the following significant terms and restrictions:

- The aggregate number of Common Shares that may be reserved for issuance pursuant to the Option Plan and all other Share Compensation Arrangements cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. Of this number, a maximum of 2,200,000 Common Shares may be granted as Incentive Stock Options.
- Any Common Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option.
- Upon the partial or full exercise of an Option, the Common Shares issued upon such exercise automatically become available to be made the subject of a new Option, provided that the total number of Common Shares reserved for issuance under the Option Plan does not exceed 10% of the number of Common Shares then issued and outstanding.
- The aggregate number of Common Shares reserved for issuance pursuant to the Option Plan or any other Share Compensation Arrangement to any one Participant cannot exceed 5% of the number of Common Shares issued and outstanding at any time.
- The aggregate number of Common Shares issuable pursuant to the Option Plan or any other Share Compensation Arrangement to Insiders cannot exceed 10% of the number of Common Shares issued and outstanding at any time.
- The aggregate number of Common Shares issued to Insiders pursuant to the Option Plan or any other Share Compensation Arrangement in any one-year period cannot exceed 10% of the number of Common Shares then issued and outstanding.

As of the date hereof, there are 14,154,000 Options outstanding to purchase an aggregate of 14,154,000 Common Shares representing 5.64% of the issued and outstanding Common Shares. Other than the Option Plan, there are no Share Compensation Arrangements pursuant to which Eligible Persons can be issued Common Shares.

The Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of Options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, the number of Options available to be granted under the Option Plan will automatically increase if the Corporation issues any additional Common Shares in the future. The TSX rules require that this type of "evergreen" plan must be approved by Shareholders every three years in order for the Corporation to be able to continue to make grants thereunder. If Shareholder approval is not obtained every three years, all unallocated entitlements under the Option Plan will be cancelled, however, all allocated awards, such as Options that have been granted but not yet exercised, will continue unaffected.

The Exercise Price for each Common Share subject to an Option will be determined by the Board at the time of the Option

grant, and may not be lower than the last closing price of a common share on the TSX preceding the time of the Option grant. In addition, the Exercise Price for each common share subject to an Incentive Stock Option granted to a U.S. Participant that is a 10% Shareholder may not be lower than 110% of the last closing price of a common share on the TSX preceding the time of the Incentive Stock Option grant.

Options will vest and become exercisable at such time or times as may be determined by the Board on the date of the Option grant.

Unless the Board determines otherwise and subject to any accelerated termination in accordance with the Option Plan, each Option will expire on the fifth anniversary of the date on which it was granted. In no event may an Option expire later than the tenth anniversary of the date on which it was granted; provided that in no event will an Incentive Stock Option granted to a U.S. Participant that is a 10% Shareholder expire later than five years after the date on which it was granted. If the date on which an Option is scheduled to expire occurs during, or within ten business days after the last day of, a Black Out Period applicable to the Optionee, then the date on which the Option will expire will be extended to the last day of such ten business day period.

Options are non-assignable and non-transferable, with the exception of an assignment by testate succession or by the laws of descent and distribution upon the death of an Optionee.

If an Optionee ceases to be an Eligible Person (other than by reason of death, permanent disability or termination for cause), the Optionee may exercise any vested Options for a period of 30 days after the Optionee ceases to provide services to the Corporation or any of its Subsidiaries, subject to the earlier expiry of the Options. If an Optionee ceases to be an Eligible Person by reason of death, the Optionee's heir may exercise any vested Options for one-year following the date of the Optionee's death, subject to the earlier expiry of the Options. If an Optionee ceases to be an Eligible Person while on permanent disability, the Optionee or his legal representatives may exercise any vested Options until the expiry of the Options. If an Optionee is dismissed for cause, any Options (whether vested or unvested) held by such Optionee shall terminate immediately upon receipt by the Optionee of notice of such dismissal. In addition, if an Incentive Stock Option is not exercised within certain prescribed periods following the date on which the Optionee ceases to be employed by the Corporation, such Option will no longer qualify as an Incentive Stock Option for U.S. federal income tax purposes.

The Board may from time to time, subject to applicable law and any required approval of the TSX, or any other regulatory authority, suspend, terminate or discontinue the Option Plan at any time, or amend or revise the terms of the Option Plan or of any Option granted thereunder; provided that no such amendment, revision, suspension, termination or discontinuance can adversely affect the rights of an Optionee under any previously granted Option except with the consent of that Optionee.

- (a) Shareholder approval is not required for the following amendments, subject to any regulatory approvals, including, where required, the approval of the TSX:
  - (i) amendments to the Option Plan to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental or regulatory authority or any stock exchange;
  - (ii) amendments of a "housekeeping", clerical, technical or stylistic nature, which include amendments relating to the administration of the Option Plan or to eliminate any ambiguity or correct or supplement any provision contained in the Option Plan which may be incorrect or incompatible with any other provision of the Option Plan;
  - (iii) changing the terms and conditions governing any Option(s) granted under the Option Plan, including the vesting terms, the exercise and payment method, the Exercise Price and the effect of the Optionee's death or permanent disability, the termination of the Optionee's employment, term of office or consulting engagement or the Optionee ceasing to be an Eligible Person;
  - (iv) determining that any of the provisions of the Option Plan concerning the effect of the Optionee's death or permanent disability, the termination of the Optionee's employment, term of office or consulting engagement or the Optionee ceasing to be an Eligible Person shall not apply for any reason acceptable to the Board;
  - (v) amendments to the definition of Eligible Person;

- (vi) changing the termination provisions of the Option Plan or any Option which, in the case of an Option, does not entail an extension beyond an Option's originally scheduled expiry date;
  - (vii) changing the terms and conditions of any financial assistance which may be provided by the Corporation to Optionees to facilitate the purchase of common shares under the Option Plan, or adding or removing any provisions providing for such financial assistance;
  - (viii) amendments to the cashless exercise feature;
  - (ix) the addition of or amendments to any provisions necessary for Options to qualify for favourable tax treatment to Optionees or the Corporation under applicable tax laws or otherwise address changes in applicable tax laws;
  - (x) amendments relating to the administration of the Option Plan; and
  - (xi) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law or the rules or policies of any stock exchange upon which the Common Shares trade from time to time.
- (b) No amendment requiring the approval of the Shareholders under applicable law or the rules or policies of any stock exchange upon which the Common Shares trade from time to time shall become effective until such approval is obtained. In addition to the foregoing, the approval of the Shareholders by ordinary resolution is required for:
- (i) any amendment to the amendment provisions of the Option Plan that is not an amendment (x) to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental or regulatory authority or any stock exchange or (y) of a "housekeeping", clerical, technical or stylistic nature;
  - (ii) any increase in the maximum number of Common Shares that can be issued under the Option Plan, except in connection with an adjustment made in accordance with the Option Plan's adjustment provisions;
  - (iii) any reduction in the Exercise Price of an Option granted under the Option Plan (including the cancellation and re-grant of an Option, constituting a reduction of the Exercise Price of an Option), except in connection with an adjustment made in accordance with the Option Plan's adjustment provisions;
  - (iv) any amendment to extend the expiry of an Option beyond its original Expiry Date;
  - (v) any amendment to the provisions of the Option Plan limiting Insider participation to increase participation by Insiders; and
  - (vi) any amendment to the provisions of the Option Plan that would permit Options to be transferred or assigned other than for normal estate settlement purposes,

provided further that Insiders are not eligible to vote their Common Shares in respect of the required approval of the Shareholders to amend or vary the Option Plan (I) to increase participation by Insiders, and (II) in certain other cases, if such Insiders will benefit from the proposed amendment or variance.

### **Risk Assessment of the Corporation's Compensation Policies and Practices**

The Compensation Committee considers the implications and risks associated with the Corporation's compensation policies and practices including the various elements of compensation. This risk assessment also considers risks considered by the Corporation's Audit Committee.

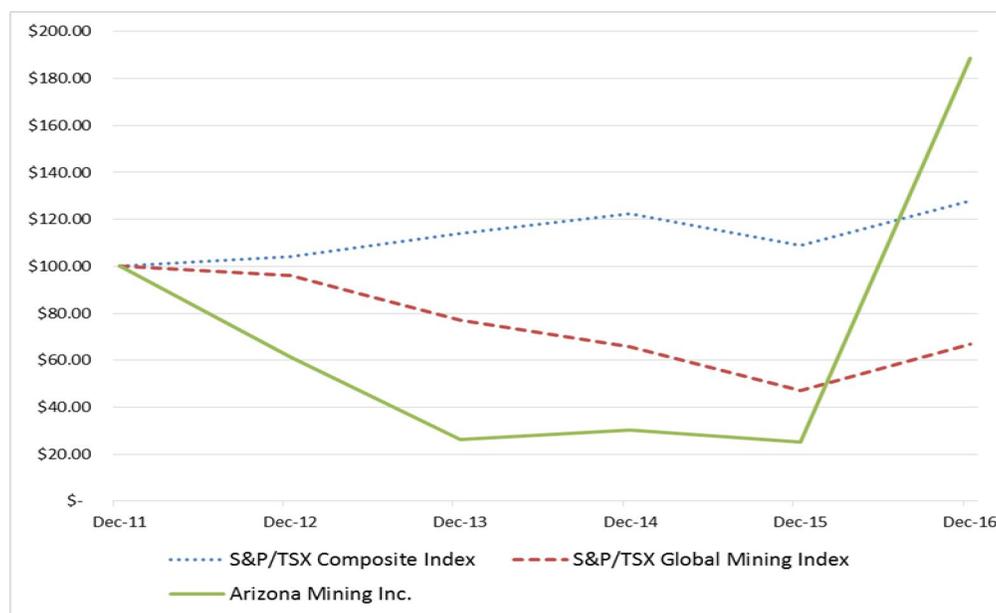
It is believed that the Corporation's compensation program discourages or mitigates the taking of inappropriate or excessive risk by using an approach which includes fixed and variable pay over a short and long term period incentivized by both performance and time based measures, while maintaining consistency in its approach for all executives. In addition, stock based awards and compensation overall is recommended by the Compensation Committee and approved by the Board

ensuring independence and fairness thereby reducing risk.

During fiscal 2016 no inappropriate or excessive risks were identified in the Corporation's compensation policies and practices, which could reasonably be expected to have a material adverse effect on the Corporation.

### Performance Graph

The following graph compares the annual percentage change in the Corporation's cumulative total shareholder return based on the assumption that C\$100 was invested in the Corporation's Common Shares on December 31, 2011 against the cumulative total shareholder return of the S&P/TSX Composite Index and the TSX Global Mining Index for the five most recently completed financial years of the Corporation ended December 31, 2016.



As discussed in the Compensation Discussion and Analysis, compensation for the Corporation's NEO's is comprised of various elements including a base salary and bonus that may not necessarily directly correlate to the market price of the Corporation's shares. In addition, the market price of a publicly traded stock, especially a junior resource issuer, may be affected by many variables that may not be directly related to NEO performance including the market for junior resource stocks, the strength of the economy generally, commodity prices, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock.

The Corporation acquired its 80% interest in the Hermosa property in 2006 and initiated limited exploration activities as funding permitted. Encouraging drill results from a much larger drill program started in late 2010, increased silver prices and better communication of the Corporation's progress all contributed to an increase in the Corporation's share price in 2011 as the marketplace began to recognize the potential of the Corporation's Central Deposit. During 2012 and 2013 the Corporation made further significant advances on the Central Deposit releasing updated resource estimates, a new simplified metallurgical process, an updated preliminary economic evaluation and in December 2013, a prefeasibility study and initial reserve estimate. While these advances resulted in an increase in the Corporation's reserves and resources and an improvement in the economics of the Corporation's Central Deposit, they were to some extent overshadowed by subsequent decreases in the prices of precious metals, including silver, and general negative market sentiment towards junior explorers. Consequently, the Corporation saw a decline in its share price during most of 2013 and 2014. As a result, during 2014, the Corporation refocused its efforts away from the Central Deposit and onto the sulfide mineralization that lies below the manto oxide of the Central Deposit. In July 2014, the Corporation announced an updated resource for the zinc/lead/silver Taylor Deposit on its Hermosa property. During the fall of 2014, following receipt of funding from insiders, the Corporation commenced a drill program to test the boundaries of the mineralization of the Taylor Deposit and released the first drill results in May, 2015 reflecting significant grades and width of mineralization. Throughout 2015 insiders continued to fund the Corporation's activities including the drilling program with additional positive results reported in September of 2015. Other significant advancements during 2015 included negotiating the expansion of the Hermosa patented land package by 300 acres (the "Trench Property") and an option on 16 unpatented mining claims totaling 279 acres.

With the progress in activities leading into 2016, the Corporation appointed James Gowans as its President and CEO effective January 1, 2016. Activities during 2016 included continuation of an aggressive drill campaign at the Corporation's Taylor Deposit, closing of the acquisition of the Trench Property and completing the acquisition of the 20% minority interest in the Hermosa Property (resulting in the Corporation owning 100% of the Hermosa Property). Also during 2016, the Corporation completed financings totaling an aggregate of \$72.4 million of which \$10 million was pursuant to the sale of a 1% net smelter royalty to Osisko Gold Royalties Ltd. In addition, the Corporation released resource updates on its Taylor deposit in February and October 2016 leading to the release of a further resource update and PEA in April 2017.

The Corporation's compensation philosophy during the past five year period has been to provide its NEOs with a mid-market base salary with a reward structure based on long-term incentives through the granting of incentive stock options and cash STIPs. The Corporation implemented the cash bonus structure in 2012 in line with market to ensure its NEO's were appropriately compensated for the major achievements on progressing the Hermosa Project, notwithstanding decreases in the Corporation's share price in 2012 that could be considered to be due to global or market influences beyond the Corporation's control during that year. Due to the depressed markets and cash constraints, salaries were frozen between 2013 – 2016 (except for an increase in salary for Donald Taylor and Richard Warke in late November 2015) and no STIP payments were made during 2013, 2014 and 2015. In addition, the Corporation determined not to grant any new options to NEO's until May 2015 when tangible progress on the Taylor Deposit was evident. As drill results proved positive through 2015 and 2016, management's efforts at the Hermosa Project began to gain recognition as industry analysts and the marketplace took note of the increasing size potential of the Taylor Deposit. Consequently, the Corporation saw an increase in its share price rising from a low of \$0.275 at the beginning of 2016 to a high of \$3.49 later in 2016.

Details of the Corporation's activities are more fully described in the Corporation's Annual Information Form dated March 21, 2016.

### Independent Compensation Consultant

The Corporation has not paid or accrued fees with respect to consulting services for the purposes of determining compensation for any of the Corporation's directors and officers for fiscal 2015 and 2016.

### Summary Compensation Table

The following table sets forth compensation awarded, earned or paid to the NEOs of the Corporation for the three most recently completed financial years:

Name and principal position	Year	Salary US\$	Share-based awards (\$)	Option-based awards <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation
					Annual incentive plans	Long-term incentive plans			
Richard W. Warke <sup>(3)</sup> Executive Chairman & Director	2016	\$188,757	N/A	\$0	\$93,096	N/A	N/A	N/A	\$281,853
	2015	\$131,469	N/A	\$777,741	\$0	N/A	N/A	N/A	\$909,210
	2014	\$138,552	N/A	\$0	\$0	N/A	N/A	N/A	\$138,552
James Gowans <sup>(2)(3)</sup> President, CEO & Director	2016	\$226,509	N/A	\$0	\$111,715	N/A	N/A	N/A	\$338,224
	2015	\$0	N/A	\$194,144	\$0	N/A	N/A	N/A	\$194,144
	2014	\$0	N/A	\$0	\$0	N/A	N/A	N/A	\$0
Donald Taylor <sup>(4)</sup> COO & Director	2016	\$259,200	N/A	\$0	\$227,100	N/A	N/A	N/A	\$486,300
	2015	\$224,400	N/A	\$555,530	\$0	N/A	N/A	N/A	\$779,930
	2014	\$224,400	N/A	\$0	\$0	N/A	N/A	N/A	\$224,400
Paul Ireland <sup>(3)</sup> CFO	2016	\$86,971	N/A	\$0	\$34,641	\$0	N/A	N/A	\$121,612
	2015	\$121,427	N/A	\$222,212	\$0	N/A	N/A	N/A	\$343,639
	2014	\$155,983	N/A	\$0	\$0	N/A	N/A	N/A	\$155,983
Gregory F. Lucero <sup>(4)</sup> Vice President, Community & Government Affairs	2016	\$183,750	N/A	\$0	\$27,563	N/A	N/A	N/A	\$211,313
	2015	\$183,750	N/A	\$111,106	\$0	N/A	N/A	N/A	\$294,856
	2014	\$183,750	N/A	\$0	\$0	N/A	N/A	N/A	\$183,750

(1) For the years ended December 31, 2016, the fair value of the option based awards were calculated using the Black Scholes model using the following weighted average assumptions: expected life of five years; annualized volatility of 92%; a risk-free interest rate of 0.9%; no dividend payments. For the year ended December 31, 2014, the Corporation did not grant any option based awards. For the purposes of this table the Canadian value of the option

- award is converted into US\$ as follows: for 2015, with the exception of Mr. Gowans, the US\$/C\$ exchange rate at the date of grant of \$1.2304; for 2014 not applicable; for 2013 the US\$/C\$ exchange rate at the date of grant of \$1.0261;
- (2) For options granted to Mr. Gowans in 2015 the US\$/C\$ exchange rate at the date of grant of \$1.3170;
- (3) Messrs. Warke, Gowans and Ireland's salaries are paid through a management services company equally owned by the Corporation and other companies related by virtue of certain common directors and officers. The salaries for Messrs. Warke, Gowans and Ireland reflect the amount charged to the Corporation and are paid in Canadian dollars. For purposes of this table these salaries were converted into US dollars at the average exchange rate for the period over which they were earned as follows: 2016 - \$1.3253; 2015 - \$1.2815; 2014 - \$1.1034;
- (4) Salary amounts for Messrs. Taylor, and Lucero were paid in US dollars.

The value for stock option awards disclosed in footnote (1) was calculated using the Black-Scholes option pricing model based on the assumptions indicated in the footnote. These assumptions are highly subjective and can materially affect the calculated fair value. Further, calculating the value of stock options using this methodology is not the same as the simple "in-the-money" value of the options, which on the date of grant would be \$nil. Accordingly, caution should be exercised in comparing grant date fair values, as calculated using the Black-Scholes model, to cash values or an in-the-money calculation.

### *NEO Employment Agreements*

The Corporation has entered into an employment or letter agreement with each NEO for an indefinite term. Each NEO agreement provides for a base salary (as may be adjusted annually), a bonus, grant of incentive stock options, vacation time and various standard benefits including life, disability, medical, dental and reimbursement of reasonable expenses. Where applicable, the payment of a bonus is to be tied to corporate, operational and individual performance and the grant of incentive stock options are at the discretion of the Board. Refer to the Summary Compensation Table above for compensation paid to, earned by or accrued for each NEO for fiscal year ended December 31, 2016.

### **Incentive Plan Awards**

#### *Outstanding share-based awards and option-based awards*

To date, the Corporation has granted only option based awards. The following table sets out all awards outstanding at the end of the most recently completed financial year held by each NEO including awards granted before the most recently completed financial year:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price C\$	Option expiration Date	Value of unexercised in-the-money options C\$ <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
Richard W. Warke Executive Chairman & Director	3,500,000	\$0.40	May 25, 2020	\$7,175,000	N/A	N/A
James Gowans President, CEO & Director	1,250,000	\$0.29	October 29, 2020	\$2,700,000	N/A	N/A
Donald Taylor COO & Director	2,500,000	\$0.40	May 25, 2020	\$5,125,000	N/A	N/A
Paul Ireland CFO	1,000,000	\$0.40	May 25, 2020	\$2,050,000	N/A	N/A
Gregory F. Lucero Vice President, Community & Government Affairs	500,000	\$0.40	May 25, 2020	\$1,025,000	N/A	N/A

- (1) On December 31, 2016 the closing price of the Corporation's shares on the TSX was C\$2.45. Value is calculated for vested plus unvested options on December 31, 2016.

#### *Value Vested or Earned During the Year*

The following table represents the aggregate dollar value that would have been realized if the stock options under the option based award had been exercised on the vesting date for each NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (C\$)	Share-based awards – Value vested during the year (C\$)	Non-equity incentive plan compensation – Value earned during the year (C\$)
Richard W. Warke Executive Chairman & Director	\$1,225,000	N/A	N/A

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (C\$)	Share-based awards – Value vested during the year (C\$)	Non-equity incentive plan compensation – Value earned during the year (C\$)
James Gowans President, CEO & Director	\$1,062,501	N/A	N/A
Donald Taylor COO & Director	\$875,000	N/A	N/A
Paul Ireland CFO	\$350,000	N/A	N/A
Gregory F. Lucero Vice President, Community & Government Affairs	\$175,000	N/A	N/A

(1) Represents the value of stock options vested during the year ended December 31, 2016 calculated as if stock options had been exercised on their vesting date based on the market price on the vesting date of the stock options less the exercise price

### Pension Plan Benefits

The Corporation does not provide retirement benefits for its directors or executive officers.

### Termination and Change of Control Benefits

The following describes the arrangements in place as at December 31, 2016 with respect to remuneration payable to each NEO of the Corporation in the event of termination of employment. If the NEO is terminated for cause as defined no payment or incremental benefits are due to the NEO.

- (1) In the event of termination by the Corporation without cause or by the employee for good reason, the Corporation shall pay, at the time of such termination, a lump sum cash amount to each NEO as follows:

Richard W. Warke Executive Chairman & Director	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.
James Gowans President, CEO & Director	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.
Donald Taylor COO & Director	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.
Paul Ireland CFO	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.
Gregory F. Lucero Vice President, Community & Government Affairs	One and a half (1.5) times his Annual Salary immediately preceding such termination and one and a half (1.5) times the Target Bonus that would be payable on such Annual Salary.

In addition, all non-vested securities under any securities compensation plan granted to the NEO shall immediately and fully vest on the effective date of such termination and be redeemable or exercisable for 90 days thereafter.

- (2) In the event that the NEO should resign for any reason after a change of control or the Corporation should terminate his or her employment without cause within six months after a change of control, the Corporation shall compensate the NEO with a lump sum cash amount as follows:

Richard W. Warke Executive Chairman & Director	Three (3) times his Annual Salary immediately preceding such termination and three (3) times the Target Bonus that would be payable on such Annual Salary.
James Gowans President, CEO & Director	Three (3) times his Annual Salary immediately preceding such termination and three (3) times the Target Bonus that would be payable on such Annual Salary.
Donald Taylor COO & Director	Three (3) times his Annual Salary immediately preceding such termination and three (3) times the Target Bonus that would be payable on such Annual Salary.
Paul Ireland CFO	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.
Gregory F. Lucero Vice President, Community & Government Affairs	Two (2) times his Annual Salary immediately preceding such termination and two (2) times the Target Bonus that would be payable on such Annual Salary.

In addition, all non-vested securities under any securities compensation plan granted to the NEO shall immediately and fully vest on the effective date of such termination following a change of control and be redeemable or exercisable for 90 days thereafter.

### *Estimated Payment on Termination without Cause or by NEO for Good Reason*

The following table provides details regarding the estimated incremental payments and benefits to each NEO on termination

without cause or by the NEO for good reason, assuming a triggering event occurred on December 31, 2016.

	Multiple	Base Salary	Bonus	Equity <sup>(1)(2)</sup>	Total
Richard W. Warke <sup>(1)</sup> Executive Chairman & Director	2	\$372,384	\$186,192	\$3,562,474	\$4,121,050
James Gowans President, CEO, & Director	2	\$446,861	\$223,430	\$1,340,582	\$2,010,873
Donald Taylor COO & Director	2	\$518,400	\$259,200	\$2,544,624	\$3,322,224
Paul Ireland <sup>(1)</sup> CFO	2	\$172,190	\$68,876	\$1,017,850	\$1,258,916
Gregory F. Lucero Vice President, Community & Government Affairs	1.5	\$275,625	\$82,688	\$508,925	\$867,238

(1) Converted from C\$ to US\$ based on the noon exchange rate reported by the Bank of Canada on December 31, 2016 of \$1.3427.

(2) Equity value represents the calculated value of the unvested stock options that would vest at December 31, 2016 as a result of termination and is not impacted by the applicable multiple. At December 31, 2016 the closing price of the Corporation's shares on the TSX was C\$2.450.

### *Estimated Payment on a Change of Control*

The following table provides details regarding the estimated incremental payments and benefits to each NEO on termination on a change of control, assuming a triggering event occurred on December 31, 2016.

	Multiple	Base Salary	Bonus	Equity <sup>(1)(2)(3)</sup>	Total
Richard W. Warke Executive Chairman & Director	3	\$558,576	\$279,288	\$3,562,474	\$4,400,338
James Gowans President, CEO, & Director	3	\$670,291	\$335,146	\$1,340,582	\$2,346,019
Donald Taylor COO & Director	3	\$777,600	\$388,800	\$2,544,624	\$3,711,024
Paul Ireland CFO	2	\$172,190	\$68,876	\$1,017,850	\$1,258,916
Gregory F. Lucero Vice President, Community & Government Affairs	1.5	\$275,625	\$82,688	\$508,925	\$867,238

(1) Converted from C\$ to US\$ based on the noon exchange rate reported by the Bank of Canada on December 31, 2016 of \$1.3427.

(2) Equity value represents the calculated value of the unvested stock options that would vest at December 31, 2016 as a result of termination and is not impacted by the applicable multiple. At December 31, 2016 the closing price of the Corporation's shares on the TSX was C\$2.45.

(3) In accordance with the Corporation's Option Plan, if there is a change of control, the Board may in its discretion determine that all holders of outstanding Options with an exercise price equal to or greater than the price per share provided for in the transaction giving rise to such change of control shall be entitled to receive and shall accept, immediately prior to or concurrently with the transaction giving rise to such change of control, in consideration for the surrender of such Options, the value of such Options determined in accordance with the Black and Scholes Option pricing Model, as determined by the Board.

### **Director Compensation**

During fiscal 2016 Board fees for the Corporation's non-executive directors were structured as provided for in the table below.

Annual base compensation per Board member	C\$15,000/annum
Board meeting attendance (per meeting basis)	Nil
Audit Committee Chair	C\$7,500/annum
Compensation Committee Chair	C\$5,000/annum
Nominating and Corporate Governance Committee Chair	C\$3,000/annum
Committee Member Compensation	Nil

All reasonable expenses incurred by a director in attending Board meetings, committee meetings or shareholder meetings, together with all expenses properly and reasonably incurred by any director in the conduct of the Corporation's business or in the discharge of his duties as a director are paid by the Corporation.

Compensation levels are typically impacted by the demand and supply of talent. In the case of board directors there continues to be a shortage of leadership talent caused by both supply and demand. This shortage is driving up the price of leadership talent and companies face difficult pay decisions to attract and retain experienced leaders. As a result, there is a need to provide fair and competitive pay levels in a highly priced marketplace.

On the demand side in the past, following Sarbanes Oxley, many companies have been diversifying the talent requirements at the board level. In particular they have been seeking expertise in finance, auditing, capital markets, governance and compensation. Such talent is not always readily available especially as directors are limiting the number of boards upon which they serve. Continuing changes to the regulatory environment and governance practices in Canada places additional responsibilities and demands on board members. Boards have a need to diversify their knowledge and expertise, particularly in risk management. This need for experienced talent at the Board level combined with the continuing emphasis being placed on good corporate governance in North America has resulted in a compensation structure for directors to reward them for contributing to the success of the company while recognizing the value of their time and effort.

The compensation analysis completed by Roger Gurr also included an analysis of Board compensation. The emphasis of the analysis was to ensure Board members were compensated fairly for the services of their expanding function and in line with Corporation's peers and current trends. The comparator group used for executive compensation was also used in determining director compensation. The Compensation Survey revealed that 96% of the comparator companies provided some form of cash compensation to non-executive Board directors. Additional compensation for leadership roles such as committee chairs is typically provided in the form of an additional retainer. Most audit committee chairs are constantly being challenged (requiring more time and diligence) with ensuring the accuracy and completeness of financial reporting. Similar challenges face compensation committee chairs with continually changing reporting requirements for executive director compensation. In addition, the use of equity based compensation for board directors is very prevalent amongst the comparator group.

The analysis of non-executive board director compensation by Roger Gurr with reference to the median of the peer comparator group of mining companies indicated levels were below market and compensation increases (toward market median) were implemented in 2013. As there is a trend towards providing board directors with 'retainer only' cash compensation, no meeting fees were proposed. The Corporation has maintained the 2013 fee structure for its non-executive board members to date.

The following table sets forth all amounts of compensation paid to or earned by the non-executive directors of the Corporation for the year ended December 31, 2016.

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Donald Siemens	\$16,988	N/A	\$0	N/A	N/A	N/A	\$16,988
Robert Wares	\$15,101	N/A	\$0	N/A	N/A	N/A	\$15,101
Poonam Puri	\$13,591	N/A	\$0	N/A	N/A	N/A	\$13,591

(1) For the purposes of this table, directors fees are converted into US\$ using the average US\$/C\$ exchange rate for the period over which they are earned which approximated \$1.3244.

#### *Directors' outstanding share based and option-based awards*

The following table sets forth, for each director of the Corporation that is not a NEO, all awards outstanding at the end of the period ended December 31, 2016 including awards granted before this period.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price C\$	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> C\$	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
Robert Wares	250,000	\$0.40	May 25, 2020	\$512,500	N/A	N/A
Donald Siemens	250,000 100,000	\$0.40 \$0.51	May 25, 2020 Aug 18, 2019	\$512,500 \$194,000	N/A	N/A
Poonam Puri	125,000	\$0.425	May 27, 2020	\$253,125	N/A	N/A

(1) On December 31, 2016, the closing price of the Corporation's shares on the TSX was C\$2.45. Value is calculated for vested options at December 31, 2016.

### Value Vested or Earned During the Year

The following table represents the aggregate dollar value that would have been realized if the stock options under the option based award had been exercised on the vesting date in 2016 for each listed director:

Name	Option-based awards – Value vested during the year (C\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (C\$)	Non-equity incentive plan compensation – Value earned during the year (C\$)
Donald Siemens	\$131,250	N/A	N/A
Robert Wares	\$131,250	N/A	N/A
Poonam Puri	\$71,563	N/A	N/A

(1) Represents the value of stock options vested during the year ended December 31, 2016 calculated as if stock options had been exercised on their vesting date based on the market price on the vesting date of the stock options less the exercise price

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Option Plan

The following table sets forth information as at December 31, 2016 concerning the Corporation's Option Plan:

Equity compensation plans approved by securityholders	Number of Common Shares to be issued upon exercise of options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Existing Option Plan	11,304,000 <sup>(1)</sup>	\$0.41	4,300,939 <sup>(2)</sup>

(1) Of these 4,171,000 were exercisable at December 31, 2016.

(2) Based on 10% of the Corporation's issued and outstanding Common Shares at December 31, 2016 less stock options outstanding at December 31, 2016. This aggregate number of securities will be available for issue under all security based compensation plans of the Corporation.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”). These Guidelines are not prescriptive, but have been used by the Corporation in adopting its corporate governance practices. The Corporation's approach to corporate governance is set out below.

### Board of Directors

Management is nominating six individuals to the Corporation's Board, all of whom are current directors of the Corporation.

The Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. Of the proposed nominees, Richard W. Warke, Donald Taylor and James (Jim) Gowans are considered “inside” or a management director and accordingly such persons are considered to be not “independent” within the meaning of NI 52-110. The other directors, Poonam Puri, Donald Siemens and Robert P. Wares, are considered by the Board to be “independent” within the meaning of NI 52-110.

At the date of this Circular, some of the Corporation's directors were directors of other reporting issuers as follows:

Donald Siemens	Atlantic Gold Corporation,, Hansa Resources Limited, Epicore BioNetworks Inc., Eros Resources Corp., and Skeena Resources Ltd.
Robert P. Wares	Bowmore Exploration Ltd., Osisko Mining Corp., Komet Resources Inc., Canadian Orebodies Inc., Bakerville Gold Mines Ltd., and Beaufield Resources Inc.
Richard W. Warke	NewCastle Gold Ltd. and Armor Minerals Inc.
James Gowans	Dominion Diamond Corporation, Cameco Corporation, UEX Corporation

The independent directors of the Corporation may hold scheduled meetings at which non-independent directors and members of management are not in attendance. During the calendar year ended December 31, 2016 the Audit Committee held four

meetings; the Compensation Committee and Nominating and Corporate Governance Committee met informally during the year.

During the calendar year ended December 31, 2016 the Board held five meetings, which were attended as follows:

Donald Siemens	attended 5 of 5 Board meetings
Robert P. Wares <sup>(1)</sup>	attended 4 of the 5 Board meetings
Richard W. Warke <sup>(1)</sup>	attended 4 of the 5 Board meetings
Donald Taylor	attended 5 of the 5 Board meetings
Poonam Puri	attended 5 of the 5 Board meetings

(1) Not in attendance at one Board meeting due to a conflict of interest on matters being discussed.

### ***Board Mandate***

The Board does not currently have a formal written mandate. The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies and its annual business plan; reviewing and approving significant capital investments; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with Shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to Shareholders; ensuring the effective operation of the Board; and safeguarding Shareholders' equity interests through the optimum utilization of the Corporation's capital resources.

The Board relies on management for periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations. Significant matters are analyzed in reports prepared by management and submitted to the Board for its approval at regularly scheduled Board meetings. The Board has delegated certain responsibilities to management but requires transactions and commitments above a certain threshold to be reviewed and approved by the Board prior to execution. Any responsibility not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives.

### ***Position Descriptions***

The Board has not developed formal written position descriptions for the Chairman of the Board, or for the Chairmen of the Audit, Compensation, or Nominating and Corporate Governance Committees. However, each committee has a charter governing its function. The majority of the Board members are also directors of other reporting issuers and are therefore knowledgeable and experienced in their capacity as such and the role designated for them. Informal discussions occur at the Board level with respect to their responsibilities.

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

The Nominating and Corporate Governance Committee is responsible for ensuring that new directors are provided with an orientation including written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all scheduled Board and committee meetings as applicable either by telephone conference or in person when possible.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for the process. To facilitate ongoing education of the Corporation's directors the Corporation supports training or education in areas relating to their role as a director of the Corporation; the Corporation arranges visitation by directors to the Corporation's facilities and operations; and encourages presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

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

The Board has adopted a Code of Business Conduct and Ethics (the “**Code**”) for its directors, officers and employees. The Chairman of the Audit Committee and the CFO of the Corporation each have been designated as the Ethics Officer, have the responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to either the Chairman of the Audit Committee or the CFO, or other designated persons. A copy of the Code may be accessed on the Corporation’s website at [www.arizonamining.com](http://www.arizonamining.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board ensures that directors, officers and employees are familiar with the Code to ensure that they exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. To encourage and promote a culture of ethical business conduct, the Board has adopted a Disclosure and Share Trading Policy and a Whistleblower Policy. Both of these policies are available on the Corporation’s website at [www.wildcatsilver.com](http://www.wildcatsilver.com). In addition, the Board requests from management periodic reports relating to any fraud or unethical behavior.

### ***Nominating Directors***

The process by which the Board anticipates that it will identify new candidates is by keeping itself informed of potential candidates in the industry. Any Board member may suggest a director nominee. The Nominating and Corporate Governance Committee must formally review and consider the background, expertise, qualifications and skill sets, to the needs of the Corporation and recommend the appointment of the potential candidate to the Board as a whole.

During fiscal 2016 all members of the Nominating and Corporate Governance Committee were independent directors in accordance with Corporate Governance Disclosure Rules. The Nominating and Corporate Governance Committee has been established by the Board to (a) identify individuals qualified to become Board members; (b) to assess and report on the effectiveness of the Board and any committees thereof; and (c) develop and recommend to the Board a set of corporate governance policies and principles applicable to the Corporation in light of the corporate governance guidelines published by regulatory bodies having jurisdiction.

### ***Compensation***

Compensation for the Corporation’s directors and officers is determined based on the recommendations of the Compensation Committee. The Compensation Committee is entitled to consult with external experts on the adequacy of the compensation paid to the Corporation’s directors. During fiscal 2016, the Compensation Committee was comprised entirely of independent directors in accordance with corporate governance rules of NI 58-101 and the policies of the TSX. The Compensation Committee has been established by the Board to review and recommend compensation policies and programs to the Corporation as well as salary and benefit levels for its executives. The objective of the Committee is to assist in attracting, retaining and motivating executives and key personnel in view of the Corporation’s goals.

### ***Other Board Committees***

During fiscal 2016, the Board had the following standing committees comprised of independent directors: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. The Board may appoint an Environment, Health and Safety Committee and an Executive Committee when appropriate. All of the committees are independent of management and report directly to the Board. The purpose of the Audit Committee is to assist the Board’s oversight of the integrity of the Corporation’s financial statements; the Corporation’s compliance with legal and regulatory requirements; the qualifications and independence of the Corporation’s independent auditors; and the performance of the independent auditors. Further information regarding the Audit Committee is contained in the Corporation’s annual information form (the “**AIF**”) dated March 30, 2017 under the heading “Audit Committee Information” and a copy of the Audit Committee charter is attached to the AIF as Schedule A. The AIF is available under the Corporation’s profile at [www.sedar.com](http://www.sedar.com). The purpose of the Nominating and Corporate Governance Committee and the Compensation Committee has been described above under “Nominating Directors” and “Compensation” respectively.

### ***Assessment***

The Board currently does not have a formal process in place to assess its committees and individual directors with respect to

their effectiveness and contribution. This matter has been discussed among the Board members and it was felt that the current size and constitution of the Board allows for informal discussions regarding the contribution of each director. In addition, each individual director is significantly qualified through their current or previous positions to fulfil their duties as a Board member. A formal process for evaluating the Board, its committees and individual directors may be implemented in the near future.

### **MANAGEMENT CONTRACTS**

Pursuant to a management services agreement with 688284 B.C. Ltd. (the “**Management Company**”) and certain other reporting issuers, the Management Company provides the Corporation and the other reporting issuers with office space, facilities, equipment and services, including personnel, with respect to the administrative and corporate affairs of the Corporation. The Corporation reimburses the Management Company’s cost for the Corporation’s pro rata share of estimated expenses on a full cost recovery basis for the services provided. Wage and benefit costs of personnel (including any termination of employment costs) are charged to the Corporation based on the time spent by employees of the Management Company providing the services. The charges are reviewed and adjusted from time to time to reflect actual expenses paid.

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

During the Corporation’s past fiscal year, no director, executive officer or senior officer of the Corporation, proposed management nominee for election as a director of the Corporation or associate or affiliate of any such director, executive or senior officer or proposed nominee is or has been indebted to the Corporation or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

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

Other than as set forth in this paragraph below or elsewhere in this Circular and other than transactions carried out in the ordinary course of business of the Corporation or any of its subsidiaries, no informed person or proposed director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which in either of such cases has materially affected or would materially affect the Corporation or any of its subsidiaries. Details with respect to related party transactions can be found in the Corporation’s audited consolidated financial statements for the year ended December 31, 2016 copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and from the Corporation as set out in “Additional Information” below.

### **OTHER MATTERS**

Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matters that are not known to management should properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote upon such matters in accordance with their best judgement.

### **GENERAL**

Unless otherwise directed, it is management’s intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

## ADDITIONAL INFORMATION

Additional information concerning the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in the Corporation's audited consolidated financial statements and Management Discussion and Analysis for the financial year ended December 31, 2016. Shareholders wishing to obtain a copy of the Corporation's audited consolidated financial statements and Management's Discussion and Analysis may contact the Corporation at the following:

Arizona Mining Inc.  
Suite 555 – 999 Canada Place  
Vancouver, British Columbia V6C 3E1

Telephone: (604) 687-1717 Fax: (604) 687-1715  
Email: [info@arizonamining.com](mailto:info@arizonamining.com)

Dated effective as of May 12, 2017

### BY ORDER OF THE BOARD OF DIRECTORS

*“James Gowans”*  
James Gowans  
President and Chief Executive Officer