



## MANAGEMENT INFORMATION CIRCULAR

INFORMATION PROVIDED AS AT MAY 11, 2018 (*unless otherwise stated*)  
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 15, 2018

### 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 15, 2018 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, 2017, was C\$1.00 = US\$0.7971.

### 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.

#### **REVOCATION 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 11, 2018 (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 313,129,150 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>	87,984,762	28.10%

(1) Richard Warke directly holds 7,394,233 Common Shares and indirectly holds (i) 25,224,854 Common Shares through Augusta Investments Inc. a company controlled by Mr. Warke; (ii) 15,365,675 Common Shares through Augusta Capital Corporation, a company that Mr. Warke has control and direction over; and (iii) 40,000,000 Common Shares through Ozama River Corp., a company that Mr. Warke has control and direction over.

## ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2017, 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 28, 2018, 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 nine (9) directors of the Corporation. The present term of office of each of these nine 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 eight (8). 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)*.

### ***Advance Notice Policy***

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 15, 2018. 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.

<b>Name of Proposed Director, Current Position with the Company, Location of Residence, Date First Appointed and Number of Common Shares Held<sup>(1)</sup></b>	<b>Director Profile - Brief Biography and Principal Occupation, Business or Employment During the Past Five Years</b>
<p><b>John Boehner</b> Director Marco Island, FL, USA</p> <p>Director since June 8, 2017</p> <p>Shares held: Nil</p>	<p>Mr. Boehner served as the 53rd Speaker of the United States House of Representatives from 2011 to 2015. A member of the Republican Party, Boehner was the U.S. Representative from Ohio's 8th congressional district, serving from 1991 to 2015. He previously served as the House Minority Leader from 2007 until 2011, and House Majority Leader from 2006 until 2007. Following his career in government service, Mr. Boehner joined Squire Patton Boggs, a global law and public policy firm. He earned a Bachelor of Arts in business administration from Xavier University.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Strategic Advisor for Squire Patton Boggs since November 2017; Speaker of the US House of Representatives from 2011 to 2015.</p>
<p><b>James (Jim) Gowans</b> President, CEO and Director Surrey, BC, Canada</p> <p>Director since January 1, 2016</p> <p>Shares held: 700,000</p>	<p>Mr. Gowans was formerly Co-President of Barrick Gold Corporation from July 2014 to August 2015 and Executive Vice President and Chief Operating Officer from January to July 2014. Recent prior roles include Managing Director of Debswana Diamond Company (Pty) Ltd., President and Chief Executive Officer of De Beers Canada Inc., Chief Operating Officer and Senior Vice President of International Nickel Indonesia Tbk PT and Executive Vice President at Placer Dome Inc. Mr. Gowans has more than 30 years of experience in mineral exploration, mine feasibility studies, opening new mines (including Red Dog and Polaris), commissioning mine expansions and in the development of best practices in mine safety, mine operations and economic performance improvement. Mr. Gowans is a Professional Engineer and received a bachelor of applied science degree in mineral engineering from the University of British Columbia and attended the Banff School of Advanced Management.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> 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.</p>
<p><b>William Mulrow<sup>(2) (4)</sup></b> Director New York, NY, USA</p> <p>Director since June 8, 2017</p> <p>Shares held: Nil</p>	<p>Mr. Mulrow is a Senior Advisor at the Blackstone Group, an alternative asset manager. Previously, he was a Director of Global Capital Markets at Citigroup, Inc., a Managing Director of Paladin Capital Group, a Senior Vice President and Head of New Product Development at Gabelli Asset Management (now GAMCO Investors), a Managing Director in Corporate Finance for Rothschild Inc., and a Managing Director and Head of Public Finance Banking for Donaldson, Lufkin and Jenrette Securities Corporation. He is a graduate of the Kennedy School of Government at Harvard University and of Yale College where he graduated Cum Laude and was a Rhodes Scholar finalist.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Senior Advisory Director at Blackstone Group since May 2017. Secretary to New York State Governor Cuomo from January 2015 to April 2017; Senior Managing Director at Blackstone Group from April 2011 to January 2015.</p>
<p><b>Poonam Puri<sup>(3) (4)</sup></b> Director Toronto, ON, Canada</p> <p>Director since May 27, 2015</p> <p>Shares held: 178,500</p>	<p>Ms. Puri, Professor of Law and former Associate Dean at Osgoode Hall Law School and affiliated scholar to Davies Ward Phillips &amp; Vineberg LLP, is one of Canada's most respected scholars and commentators on issues of corporate governance, corporate law, securities law and financial regulation. She is currently a Commissioner of the Ontario Securities Commission and serves on the board of directors of the Canada Infrastructure Bank. Professor Puri completed a nine-year term on the board of the Greater Toronto Airports Authority in 2017 and she currently serves on the boards of several not-for-profit and community organizations including Holland Bloorview Kids Rehabilitation Hospital in Toronto. Professor Puri has a Bachelor of Laws (LLB) degree from the University of Toronto, a Master of Laws (LLM) degree from Harvard Law School and is a member of the Institute of Corporate</p>

<b>Name of Proposed Director, Current Position with the Company, Location of Residence, Date First Appointed and Number of Common Shares Held<sup>(1)</sup></b>	<b>Director Profile - Brief Biography and Principal Occupation, Business or Employment During the Past Five Years</b>
	<p>Directors.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Professor of Law of Osgoode Hall Law School, York University since 1997. Affiliated scholar, Davies Ward, Phillips &amp; Vineberg LLP since September 2014.</p>
<p><b>Donald R. Siemens</b><sup>(2) (3) (4)</sup> Director Langley, BC, Canada</p> <p>Director since August 15, 2014</p> <p>Shares held: Nil</p>	<p>Mr. Siemens is an independent financial advisor specializing in corporate finance, cross-border transactions and mergers and acquisitions; previously, Partner-in-Charge of Thorne Ernst &amp; Whinney's (now KPMG) Vancouver office Financial Advisory Services group; over 30 years of experience as a Chartered Accountant; currently Director and Audit Committee Chair for Atlantic Gold Corporation, Eros Resources Corp, Skeena Resources Limited, Beaufield Resources Inc. and Hansa Resources Limited. Mr. Siemens obtained his Chartered Accountant designation in 1973</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Independent financial advisor specializing in corporate finance, cross-border transactions and mergers and acquisitions.</p>
<p><b>Donald Taylor</b> COO and Director Tucson, AZ, USA</p> <p>Director since February 12, 2015</p> <p>Shares held: 1,347,663</p>	<p>Mr. Taylor has more than 25 years of mineral exploration experience with precious and base metals on five continents, taking projects from exploration to mine development. He has worked extensively for large and small cap companies, including BHP Minerals, Bear Creek Mining, American Copper and Nickel, Doe Run Resources, and Westmont Mining Company. Mr. Taylor has a Bachelor of Science degree in Geology from Southeast Missouri State University and a Master of Science degree from University of Missouri at Rolla. He is a Licensed Professional Geologist in several eastern and western states and a qualified person as defined by National Instrument 43-101.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> COO and Director of the Corporation; President of the Corporation between May 2012 and January 2016; Vice President, Exploration of the Company between June 2010 and May 2012;</p>
<p><b>Richard W. Warke</b><sup>(5)</sup> Executive Chairman and Director West Vancouver, BC, Canada</p> <p>Director since July 3, 2008</p> <p>Shares held: 87,984,762</p>	<p>Mr. Warke is a Vancouver-based mining executive and the Executive Chairman of Arizona Mining Inc., part of the Augusta Group of Companies which he founded in 2005. The Augusta Group previously included Ventana Gold Corp., which sold for C\$1.6 billion in 2011, and Augusta Resource Corporation, which sold for C\$666 million in 2014.</p> <p>In addition, Mr. Warke acquired control of Newcastle Gold Ltd. in 2016 and was Executive Chairman until its merger to form Equinox Gold In December 2017. He also founded Titan Mining in 2017 and serves as its President &amp; CEO.</p> <p>With more than 25 years of experience in the mining industry, Mr. Warke has been instrumental in raising over \$1 billion dollars in equity for resource companies.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Executive Chairman and Director of the Corporation; President, CEO and Director of Titan Mining Corporation since October 2012; Executive Chairman and Director of NewCastle Gold Ltd. from May 2016 to December 2017; Director and President of Catalyst Copper Corp. from September 2014 to May 2016; Director and Executive Chairman of Augusta Resource Corporation until July 2014.</p>
<p><b>Gillian Winckler</b> Director Vancouver, BC, Canada</p> <p>Director since October 26, 2017</p> <p>Shares held: Nil</p>	<p>Ms. Winckler is a former mining and business executive with over 25 years of diversified experience in the metals and mining industry and the financial sector. Ms. Winckler spent 16 years with BHP Billiton where she was involved with corporate and divisional strategy, mergers and acquisitions, divestments, exploration and project evaluation and development. Ms. Winckler's expertise includes strategic planning, mergers, acquisitions and divestments in the mining sector, as well as IFRS, GAAP, risk management and regulatory reporting.</p> <p><b>Principal Occupation, Business or Employment During the Past Five Years:</b> Director of West Fraser Timber Co. Ltd. since May 2017, Non-Executive Director of Pan American Silver Corp. since May 2016; CEO of Coalspur Ltd. from January 2012 to June 2015.</p>

(1) Number of common shares held includes all common share holdings held beneficially, controlled or directed, directly or indirectly by the director.

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
- (3) Denotes member of the Nominating and Corporate Governance Committee
- (4) Denotes member of the Compensation Committee.
- (5) Richard Warke directly holds 7,394,233 Common Shares and indirectly holds (i) 25,224,854 Common Shares through Augusta Investments Inc. a company controlled by Mr. Warke; (ii) 15,365,675 Common Shares through Augusta Capital Corporation, a company that Mr. Warke has control and direction over; and (iii) 40,000,000 Common Shares through Ozama River Corp., a company that Mr. Warke has control and direction over.

Each of the nominees is well qualified and demonstrates the competencies, character and commitment that is complementary to the Corporation's needs and culture and has expressed his or her willingness to serve on the board.

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.**

#### *Majority Voting Policy*

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, 2017, 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:

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 and whose annual aggregate compensation exceeded C\$150,000 (the "Named Executive Officer(s)" or "NEO(s)"). For the year ended December 31, 2017, the following were the Corporation's NEOs were:

Richard W. Warke –Executive Chairman and Director  
Donald Taylor - Chief Operating Officer ("COO") and Director  
James Gowans – President, CEO and Director  
Paul Ireland – CFO until September 20, 2017  
Thomas Whelan – CFO from September 20, 2017  
Jerrold Annett – Senior Vice President, Corporate Development

The Board has established a Compensation Committee whose mandate is to review and recommend compensation policies and programs as well as salary and benefit levels for its executives with the objective of assisting in attracting, retaining and motivating executives and key personnel in view of the Corporation's goals. For the year ended December 31, 2017 the Compensation Committee was comprised of three independent directors namely: Poonam Puri (Chair), Donald Siemens and William Mulrow. Each member of the Compensation Committee has direct experience in executive compensation matters as directors of other companies, and/or members of a compensation committee as part of such directorship. Such experience assists in evaluating the suitability of the Corporation's compensation practices and policies. Each member's skills and experience as described in their profile in the table above under 'Election of Directors' enables the Compensation Committee to think critically and make decisions on the suitability of the Corporation's compensation policies and practices.

The Compensation Committee shall annually review and approve the corporate goals and objectives relating to the compensation of the CEO, evaluate the CEO's performance in light of those goals and review and establish the CEO's annual compensation based on this evaluation. The Compensation Committee will recommend the compensation of the CEO to the Board. Also, in consultation with the CEO, and based upon his input and recommendations, the Compensation Committee may review and approve on an annual basis the evaluation process and compensation structure for the Corporation's executive officers other than the CEO. The Compensation Committee will work with the CEO to evaluate the performance (against performance goals and targets as applicable) and sets the compensation, including proposed salary adjustments, the short-term incentive "STI" awards and long term incentive "LTI" awards, for the NEOs and other members of executive management. The Corporation is dependent on individuals with specialized skills and knowledge related to the exploration and development of mineral prospects, corporate finance and management. 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. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size. 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 Board makes all final decisions with respect to executive compensation and retains full discretion over all executive compensation matters.

The Compensation Committee may also, in consultation with the CEO, and based upon his input and recommendations, review the Corporation's existing incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed, and review and submit to the Board recommendations concerning new executive compensation or stock-based plans. Currently, the Corporation has only a stock option plan in effect.

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 an independent market analysis of the compensation paid to the Corporation's executives including its NEOs was in 2013 when it engaged Roger Gurr & Associates to perform a total review of internal pay structure, conduct a market comparison and develop recommendations. These recommendations took into consideration a comparator group of 24 mining companies. Since implementing these recommendations in 2013, the Compensation Committee has not engaged an independent compensation consultant. In the few years following 2013, the Corporation maintained a tight team of qualified executives committed to the success of the Corporation and with the depressed markets no significant changes in compensation structure were made. With the success in the Corporation over the past two years, and in particular the growth in 2017, the Compensation Committee took the view that for fiscal 2017 instead of engaging an independent compensation consultant, it would rely upon various other factors including compensation, benefits and incentives offered by peer groups (where such data was or is known), experiences from their other board or committee duties, information from industry contacts or information collected generally by the Corporation's internal research. An important factor the Compensation Committee took into consideration when assessing the Corporation's compensation structure during 2017 was the view that the current compensation structure and level is market competitive as the Corporation was able to attract quality talent to its executive management team by hiring four new executives during 2017 in addition to retaining those previously hired. The Compensation Committee continues to assess the Corporation's compensation program recognizing that the Corporation needs to remain competitive with its executive management team and accordingly may engage an independent consultant later in 2018 or in early 2019.

## **Elements of Compensation**

Compensation for the Corporation's executive officers is comprised of three elements: base salary, discretionary bonus as a short-term incentive ("STI") and a long term incentive ("LTI") program comprised of incentive stock options granted pursuant to the Corporation's Amended and Restated Stock Option Plan dated May 27, 2015 (the "**2015 Option Plan**"). Stock options serve as mid to long term incentives. 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. Although the Compensation Committee reviews each element of compensation for market competitiveness, it may weigh a particular element more heavily based on a particular NEO's (or executive's) role within the Company or to attract an executive (which may or may not be an NEO) at the time of hire. For example, the Compensation Committee or the Board may view that a one-time hiring bonus or offering an equity grant above the average annual grant may be necessary at the time of hire to incentivize a talented individual to join the Corporation. Such matters are assessed at the time of hire and the market availability of such talent at such time.

### ***Base Salary***

Base salary for the Corporation's executive officers is established taking into account each executive's responsibilities, performance assessment, career experience and market alignment with similar roles in the industry. 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 – Short Term Incentive (STI) Compensation***

The STI which takes the form of a cash bonus as a percent of base salary 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 STI 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 STI payment assuming full achievement of the target objectives. Elements of STI (and achievement of "target" performance) are based on objectives that are set annually and may include personal, operational or corporate objectives.

<b>Position in Organization</b>	<b>STI Payout as Percentage of Base Salary on Meeting Target Performance</b>
Richard Warke Executive Chairman and Director	60%
James Gowans President and CEO	60%
Donald Taylor COO and Director	60%
Paul Ireland <sup>(1)</sup> CFO	50%
Thomas Whelan <sup>(1)</sup> CFO	40%
Jerrold Annett Senior Vice President Corporate Development	60%

(1) Paul Ireland was CFO until September 20, 2017 at which date Thomas Whelan became CFO.

### ***Long Term Incentive (LTI) Compensation***

The Corporation's LTI is currently comprised of incentive stock option grants pursuant to its 2015 Option Plan. The purpose of the 2015 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 also considered effective in increasing alignment with the interests of the Shareholders, as they vest over time and provide an incentive to creating long-term growth aligning with the Corporation's long-term objectives and consequently acts as a retention tool.

Stock options are generally awarded to executives (including NEOs) at the commencement of employment and periodically thereafter (typically 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 (past and expected future 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. Stock options also allow the Corporation to be flexible to recognize the needs of the Corporation in different business environments or cycles and act in incentivizing and retaining executives. This is due to the duration of grants and vesting mechanism. Stock options are granted for a term of five years with vesting over a three year period (one-third on the first anniversary, one-third on the second anniversary and one-third on the third anniversary of the grant date) for executives and over one year (one-half of the stock options vest on grant date and balance half on the first anniversary date of the grant) for non-executive directors. For a summary of stock options awarded to the NEO's for the three most recently completed financial years, refer to the column entitled "Option-Based Awards" in the Summary Compensation Table below.

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 2015 Option Plan is a "rolling" plan such that the number of securities granted under the 2015 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.

Since the 2015 Option Plan was last approved and/or reconfirmed by the Shareholders at the Corporation's annual meeting held on June 29, 2015, all unallocated Options under the 2015 Option Plan will expire on June 29, 2018 and the Corporation will not be permitted to make further grants of Options until Shareholder approval is obtained. Accordingly, the Corporation is seeking Shareholder approval of its 2015 Option Plan, at the upcoming Meeting. Refer to "Particulars of Other Matters to be Acted Upon" for further details regarding the 2015 Option Plan and the Shareholder approval to be sought at the Meeting.

### *Other Benefits and Perquisites*

Benefits and perquisites do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the financial year ended December 31, 2017, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO's salary.

### *2017 Compensation Decisions for NEOs and Performance Highlights*

In early 2017, base salaries for NEOs were increased by 5% across the board covering an inflationary increase over a two year period as no such increase was made during that period. An additional increase of 5% was made for the Executive Chairman to better align his base salary to other senior officers of the Corporation. Bonus payments were assessed and rewarded generally on a 'team' based approach and the achievements of the Corporation as a whole while taking into consideration individual contribution. Stock options were granted relative to the CEOs grant. In early 2018, no increase to base salaries were made. However, as 2017 was a year of outstanding achievement for the Corporation at various fronts, (further detailed below) including notable growth in the resource and size of the Taylor Deposit, the Corporation being the recipient of the PDAC Thayer Lindsley Award for Best Global Discovery and the overall market recognition evidenced by the increase in the Corporation's market capitalization, the Compensation Committee recommended, and the Board approved, the award of cash bonuses to the NEOs based on a team effort at 100% of their target level.

During 2017, Arizona Mining had strong corporate and operational success by delivering on the following key milestones:

1. Completion of a Preliminary Economic Assessment reflecting the growth of the Taylor Deposit resource both in size and grade;
2. Executing on permitting strategy by obtaining key state permits;
3. Completion of C\$110.3 million financing with South32 for planned activities through to the Feasibility Study;
4. Acquired additional land for the Corporation's continued exploration activity and future plans;
5. Built a development team, management team and expanded the Board;
6. Increased market capitalization of the Corporation by 66% to over C\$1.1 billion by the end of 2017; and
7. Increased analyst coverage with the addition of two new analysts and attracted additional institutional shareholders.

In addition to the cash bonuses, LTI awards, specifically stock options, were granted in March 2018, taking into consideration the stock option grant made in early 2017 (no stock options were granted during 2016) and any specific individual grants made on hire for those hired in 2017. Notwithstanding the success of 2017, stock options granted in Q1 2018 were granted at 50% of those granted in fiscal 2017 factoring the increased value of the Corporations' shares.

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

The Compensation Committee generally considers the implications and risks associated with the Corporation's compensation policies and practices including the various elements of compensation. A formal assessment on risk has not been conducted given the current stage of the Corporation. However, 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.

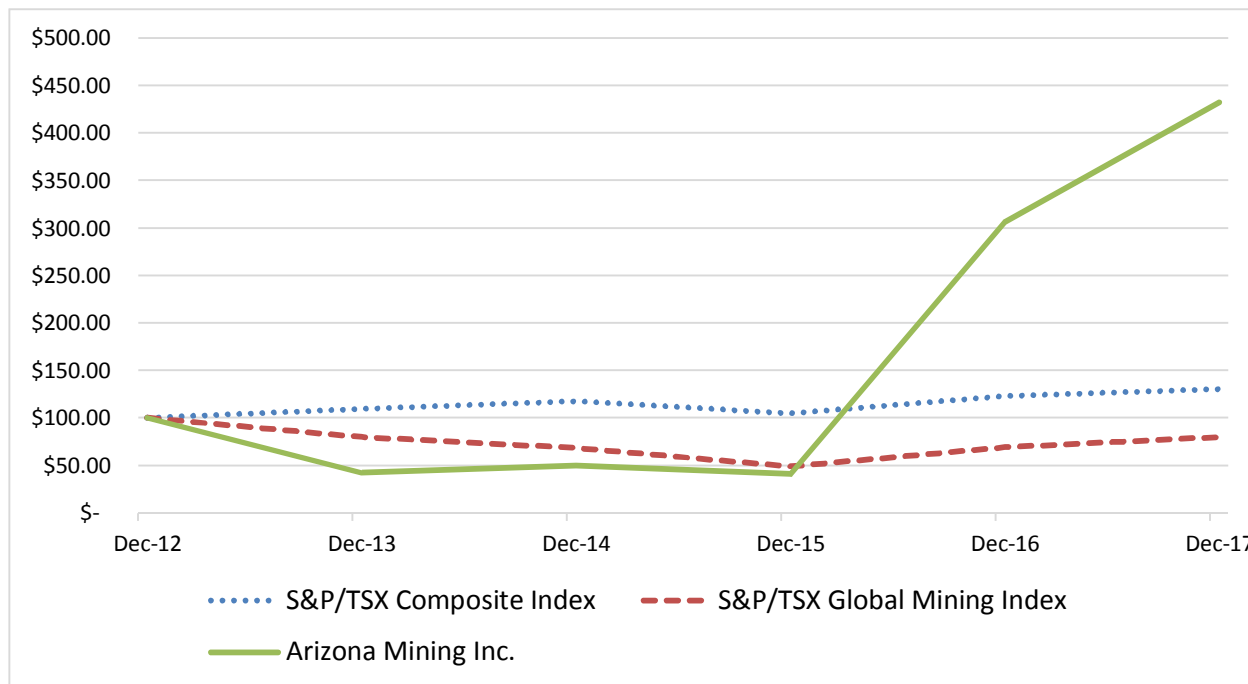
For fiscal 2017 no inappropriate or excessive risks were identified in the Corporation's compensation policies and practices, which could reasonably be expected to have a material adverse effect on the Corporation.

### **Hedging**

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## 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, 2012 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, 2017.



As discussed in the Compensation Discussion and Analysis, compensation for the Corporations 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 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 Preliminary Economic Assessment in April 2017. During 2017, the Corporation obtained key state permits enabling it to commence construction of a lined tailings storage facility, an active water treatment plan and an underdrain collection pond. In addition to cleaning up the historic liabilities on the Trench Property these facilities will serve as a foundation for future operations. The Corporation also raised C\$110.3 million with South32 Limited during 2017 funding the Corporation

for its planned activities to the Feasibility Study expected in Q3 2018. In addition, the Corporation expanded its executive team and board.

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 STIs. The Corporation implemented the cash bonus structure effective 2012 in line with the 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 bonus payments were made during 2013, 2014 and 2015. In addition, the Corporation determined not to grant any new options to the NEOs until May 2015 when tangible progress on the Taylor Deposit was evident. As drill results proved positive through 2015, 2016, and 2017 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 \$3.69 in October of 2017. Consequently the Corporation rewarded its executives by paying bonuses at target levels and granting options as discussed in the Compensation Discussion and Analysis earlier.

Details of the Corporation's activities are more fully described in the Corporation's Annual Information Form dated March 28, 2018.

The trend in overall compensation paid to the Corporation's executives over the period has not specifically tracked the performance of the market price of the Corporation's common shares, or the S&P/TSX Composite Index.

### 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 2016 and 2017.

### 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 <sup>(2)</sup> (\$)	Share based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans			
Richard W. Warke Executive Chairman & Director	2017	202,372	N/A	450,536	125,548	N/A	N/A	N/A	778,456
	2016	188,757	N/A	Nil	93,096	N/A	N/A	N/A	281,853
	2015	131,469	N/A	777,741	Nil	N/A	N/A	N/A	909,210
James Gowans President, CEO & Director	2017	242,846	N/A	563,170	150,658	N/A	N/A	N/A	956,674
	2016	226,509	N/A	Nil	111,715	N/A	N/A	N/A	338,224
	2015	Nil	N/A	194,144	Nil	N/A	N/A	N/A	194,144
Donald Taylor COO & Director	2017	266,910	N/A	563,170	310,146	N/A	N/A	N/A	1,140,226
	2016	259,200	N/A	Nil	227,100	N/A	N/A	N/A	486,300
	2015	224,400	N/A	555,530	Nil	N/A	N/A	N/A	779,930
Paul Ireland <sup>(4)</sup> CFO	2017	58,021	N/A	337,902	Nil	N/A	N/A	N/A	395,923
	2016	86,971	N/A	Nil	34,641	N/A	N/A	N/A	121,612
	2015	121,427	N/A	222,212	Nil	N/A	N/A	N/A	343,639
Thomas Whelan <sup>(4)</sup> CFO	2017	60,833	N/A	1,329,285	24,619	N/A	N/A	N/A	1,414,737
	2016	Nil	N/A	Nil	Nil	N/A	N/A	N/A	Nil
	2015	Nil	N/A	Nil	Nil	N/A	N/A	N/A	Nil
Jerrold Annett Senior VP, Corporate Development	2017	100,796	N/A	655,345	117,145	N/A	N/A	N/A	873,286
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) For the year ended December 31, 2017, the fair value of the option based awards was calculated using the industry standard Black-Scholes option pricing model using the following weighted average assumptions: expected life of five years; annualized volatility of 65%; a risk-free interest rate of

1.29%; no dividend payments. For the purposes of this table the Canadian dollar value of the option award is converted into US dollars at the daily exchange rate reported by the Bank of Canada on the date of the grant. 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.

- (2) Salaries for all NEOs except Donald Taylor are paid in Canadian dollars and are paid through a management services company equally owned by the Corporation and other companies related by virtue of certain common directors and officers. For purposes of this table salaries paid in Canadian dollars were converted into US dollars at the average daily exchange rate reported by the Bank of Canada for the period over which they were earned as follows: 2017 - \$1.2918; 2016 - \$1.3253; 2015 - \$1.2815.
- (3) Annual Incentive awards include awards accrued for the year stated but paid the following year. For purposes of this table annual incentive awards were converted into US dollars using the daily exchange rate reported by the Bank of Canada on December 31<sup>st</sup> as follows: 2017 - \$1.2545; 2016 - \$1.3427.
- (4) Effective September 20, 2017, Tom Whelan was appointed CFO and Mr. Ireland ceased to be CFO.

### *NEO Employment Agreements*

The Corporation has entered into an employment or letter agreement with each NEO for an indefinite term. Each NEO’s 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, 2017.

### **Incentive Plan Awards**

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

To date, the Corporation has granted only option based awards (there are no share 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			
	Number of securities underlying unexercised options	Option exercise price (C\$)	Option expiration Date	Value of unexercised in-the-money options (C\$) <sup>(1)</sup>
Richard W. Warke Executive Chairman & Director	3,500,000 400,000	0.40 2.76	May 25, 2020 March 1, 2022	10,710,000 280,000
James Gowans President, CEO & Director	1,250,000 500,000	0.29 2.76	October 29, 2020 March 1, 2022	3,962,500 350,000
Donald Taylor COO & Director	2,500,000 500,000	0.40 2.76	May 25, 2020 March 1, 2022	7,650,000 350,000
Thomas Whelan <sup>(2)</sup> CFO	1,000,000	2.94	September 20, 2022	520,000
Paul Ireland <sup>(2)</sup> CFO	333,334 300,000	0.40 2.76	May 25, 2020 March 1, 2022	1,020,002 210,000
Jerrold Annett Senior VP, Corporate Development	750,000	2.19	May 17, 2022	952,500

(1) On December 31, 2017 the closing price of the Corporation’s shares on the TSX was C\$3.46. Value is calculated for vested plus unvested options on December 31, 2017.

(2) Effective September 20, 2017, Tom Whelan was appointed CFO and Mr. Ireland ceased to be CFO.

#### *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	2,205,001	N/A	N/A
James Gowans President, CEO & Director	1,270,834	N/A	N/A
Donald Taylor COO & Director	1,574,999	N/A	N/A
Thomas Whelan <sup>(2)</sup> CFO	Nil	N/A	N/A
Paul Ireland <sup>(2)</sup> CFO	629,999	N/A	N/A
Jerrold Annett Senior VP, Corporate Development	Nil	N/A	N/A

(1) Represents the value of stock options vested during the year ended December 31, 2017 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.

(2) Effective September 20, 2017, Tom Whelan was appointed CFO and Mr. Ireland ceased to be CFO.

### 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, 2017 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. <sup>(1)</sup>
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. <sup>(1)</sup>
Thomas Whelan 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.
Jerrold Annett Senior VP, Corporate Development	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.

(1) 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 30 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. <sup>(1)</sup>
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. <sup>(1)</sup>
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. <sup>(1)</sup>
Thomas Whelan 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. <sup>(1)</sup>
Jerrold Annett Senior VP, Corporate Development	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. <sup>(1)</sup>

- (1) 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 30 days thereafter.

A change of control occurs if, among other things:

- 1 the acquisition, directly or indirectly, by any person or group of persons acting in concert, as such terms are defined in the British Columbia *Securities Act*, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting in concert, totals for the first time 50% of the outstanding common shares of the Company; or
- 2 the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of directors to the Board who were not nominees of the Company's incumbent Board at the time immediately preceding such election; or
- 3 consummation of a sale of all or substantially all of the assets of the Company, or the consummation of a reorganization, arrangement, merger or other transaction which has substantially the same effect, except where such sale or transaction is for the purpose of financing the development or construction of a mine and such transaction has been approved by a majority of the Board of Directors of the Company.

*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, 2017.

	Multiple	Base Salary <sup>(1)</sup> (\$)	Bonus <sup>(1)</sup> (\$)	Equity <sup>(2)</sup> (\$)	Total <sup>(1)</sup> (\$)
Richard W. Warke Executive Chairman & Director	2	418,493	251,096	3,068,952	3,738,541
James Gowans President, CEO, & Director	2	502,192	301,315	Nil	803,507
Donald Taylor COO & Director	2	533,820	320,292	2,311,678	3,165,790
Thomas Whelan CFO	2	438,422	175,369	Nil	613,791
Jerrold Annett Senior VP, Corporate Development	2	350,737	210,442	Nil	561,179

- (1) Converted from C\$ to US\$ based on the daily exchange rate reported by the Bank of Canada on December 31, 2017 of \$1.2545, for all NEOs except Donald Taylor.
- (2) Converted from C\$ to US\$ based on the daily exchange rate reported by the Bank of Canada on December 31, 2017 of \$1.2545. Equity value represents the calculated value of the unvested stock options that would vest at December 31, 2017 as a result of termination and is not impacted by the applicable multiple. At December 31, 2017 the closing price of the Corporation's shares on the TSX was C\$3.46.

*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, 2017.

	Multiple	Base Salary <sup>(1)</sup> (\$)	Bonus <sup>(1)</sup> (\$)	Equity <sup>(2)</sup> (\$)	Total <sup>(1)</sup> (\$)
Richard W. Warke Executive Chairman & Director	3	627,740	376,644	3,068,952	4,073,336
James Gowans President, CEO, & Director	3	753,288	451,973	1,331,872	2,537,133
Donald Taylor COO & Director	3	800,730	480,438	2,311,678	3,592,846
Thomas Whelan CFO	2	438,422	175,369	414,508	1,028,299
Jerrold Annett Senior VP, Corporate Development	3	526,106	315,664	759,267	1,601,037

- (1) Converted from C\$ to US\$ based on the daily exchange rate reported by the Bank of Canada on December 31, 2017 of \$1.2545, for all NEOs except Donald Taylor.
- (2) Converted from C\$ to US\$ based on the daily exchange rate reported by the Bank of Canada on December 31, 2017 of \$1.2545. Equity value represents the calculated value of the unvested stock options that would vest at December 31, 2017 as a result of termination and is not impacted by the applicable multiple. At December 31, 2017 the closing price of the Corporation's shares on the TSX was C\$3.46.



- (3) In accordance with the Corporation's 2015 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 2017 Board fees for the Corporation's non-executive directors were structured as provided for in the table below effective July 1, 2017.

Annual base compensation per Board member	C\$35,000/annum
Board meeting attendance (per meeting basis)	Nil
Audit Committee Chair	C\$9,000/annum
Compensation Committee Chair	C\$6,000/annum
Nominating and Corporate Governance Committee Chair	C\$3,600/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 or her 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, 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 in 2013 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 the Corporation's peers and going trends. In addition to a Board fee, additional compensation for leadership roles such as committee chairs is typically noted in the industry and accordingly paid by the Corporation in the form of an additional retainer above the Board fee. 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 and director compensation. No meeting attendance fee was paid by the Corporation. The use of equity-based compensation for board directors is very prevalent amongst companies in the industry and peer group. Accordingly, stock options are granted to non-executive Board members. Such grants are typically granted annually when grants are made to executives based on the latest fiscal year.

The Board maintained the 2013 fee structure for its non-executive board members until July 1, 2017 when it determined an increase to the Board fee and the fee for committee Chairs was due and appropriate given the growth and development of the Corporation and where it ranked among its peers. No other change was implemented.

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, 2017.

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Donald Siemens	25,864	N/A	112,634	N/A	N/A	N/A	138,498
Robert Wares	23,739	N/A	112,634	N/A	N/A	N/A	136,373
Poonam Puri	22,039	N/A	112,634	N/A	N/A	N/A	134,673
William Mulrow	14,602	N/A	213,469	N/A	N/A	N/A	228,071
John Boehner	14,602	N/A	213,469	N/A	N/A	N/A	228,071
Gillian Winckler	5,162	N/A	354,433	N/A	N/A	N/A	359,595

(1) Converted into US\$ using the average US\$/C\$ exchange rate for the period over which they are earned of \$1.2791.

(2) For the year ended December 31, 2017, the fair value of the option based awards was calculated using the Black Scholes option pricing model using the following weighted average assumptions: expected life of five years; annualized volatility of 65%; a risk-free interest rate of 1.19%; no dividend payments. For the purposes of this table the Canadian dollar value of the option award is converted into US dollars at the daily exchange rate reported by the Bank of Canada on the date of the grant. 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.

#### 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, 2017 including awards granted before this period.

Name	Option-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\$)
Robert Wares	250,000	0.40	May 25, 2020	765,000
	100,000	2.76	March 1, 2022	70,000
Donald Siemens	100,000	0.51	Aug 18, 2019	295,000
	250,000	0.40	May 25, 2020	765,000
	100,000	2.76	March 1, 2022	70,000
Poonam Puri	125,000	0.425	May 27, 2020	379,375
	100,000	2.76	March 1, 2022	70,000
William Mulrow	250,000	2.12	June 7, 2022	335,000
John Boehner	250,000	2.12	June 7, 2022	335,000
Gillian Winckler	250,000	3.25	October 24, 2022	52,500

(1) On December 31, 2017, the closing price of the Corporation’s shares on the TSX was C\$3.46. Value is calculated for vested options at December 31, 2017.

#### 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 2017 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	Nil	N/A	N/A
Robert Wares	Nil	N/A	N/A
Poonam Puri	Nil	N/A	N/A
William Mulrow	Nil	N/A	N/A
John Boehner	Nil	N/A	N/A
Gillian Winckler	15,000	N/A	N/A

(1) Represents the value of stock options vested during the year ended December 31, 2017 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

### Stock Option Plan

The following table sets forth information as at December 31, 2017 concerning the Corporation's 2015 Option Plan (the only plan in effect):

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
2015 Option Plan	16,747,334 <sup>(1)</sup>	\$1.27	14,475,468 <sup>(2)</sup>

(1) Represents 5.36% of the issued and outstanding Common Shares at December 31, 2017. Of these 7,540,666 were exercisable at December 31, 2017.

(2) Based on 10% of the Corporation's issued and outstanding Common Shares at December 31, 2017 less stock options outstanding at December 31, 2017. This number represents 4.64% of the issued and outstanding Common Shares at December 31, 2017.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Approval of Stock Option Plan

#### *Background*

The Corporations Amended and Restated Stock Option Plan dated May 27, 2015 (the "2015 Option Plan") was last confirmed and approved by the Shareholders at the Corporation's annual meeting held on June 29, 2015. 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 security holders every three years after the institution of the arrangement. The 2015 Option Plan is a "rolling" plan such that the number of securities granted under the 2015 Option Plan can be up to a maximum of 10% of the issued capital 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.

All unallocated Options under the 2015 Option Plan will expire on June 29, 2018 and the Corporation will not be permitted to make further grants of Options unless Shareholder approval is obtained. No amendment to the 2015 Option Plan is proposed. Accordingly, at the upcoming Meeting, the Corporation is seeking Shareholder approval of its 2015 Option Plan, in the form attached under Schedule A to this Circular.

In accordance with the requirements of the TSX, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass an ordinary resolution approving the 2015 Option Plan, in the form is attached as Schedule A to this Circular, and authorizing the Corporation to grant Options under the 2015 Option Plan until June 15, 2021. The full text of the resolution regarding the approval of the 2015 Option Plan and the authorization of the granting of stock options thereunder is set out below under "Shareholder Approval".

The 2015 Option Plan was approved by the Board on May 27, 2015, and subsequently approved by the shareholders on June 29, 2015. The 2015 Option Plan was accepted for filing by the TSX, following approval by the Shareholders and the Corporation satisfying the requirements of the TSX, including the filing of all applicable documentation. In accordance with the policies of the TSX, given the passage of three years since Shareholder approval, the Corporation is seeking a 're-approval' of the 2015 Plan.

The summary of the 2015 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 2015 Option Plan, a copy of which is attached as Schedule A to this Circular. 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 2015 Option Plan.

### *Summary of the 2015 Option Plan*

The purpose of the 2015 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 2015 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 2015 Option Plan includes the following significant terms and restrictions:

- The aggregate number of Common Shares that may be reserved for issuance pursuant to the 2015 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 2015 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 2015 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 2015 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 2015 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.

### *Annual Burn Rate*

The following table sets forth the annual "burn rate" of the 2015 Option Plan for each of the three most recently completed fiscal years, calculated using the TSX's prescribed methodology pursuant to Section 613(d) of the TSX Company Manual:

<b>Annual Burn Rate<sup>(1)</sup></b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
2015 Option Plan	2.23%	0.13%	7.21%

(1) The burn rate is the number of awards granted in a fiscal year, expressed as a percentage of the weighted average number of common shares outstanding for the applicable fiscal year calculated in accordance with the CPA Canada Handbook.

As of the date hereof, there are 19,169,834 Options outstanding to purchase an aggregate of 19,169,834 Common Shares representing 6.12% of the issued and outstanding Common Shares leaving an aggregate of 12,143,081 Options for 12,143,081 Common Shares representing 3.88% available for future grants pursuant to the 2015 Option Plan. Other than the 2015 Option Plan, there are no Share Compensation Arrangements pursuant to which Eligible Persons can be issued Common Shares.

The 2015 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 2015 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 2015 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. Vested options may be exercised from time to time upon payment in full of the aggregate Exercise Price and the payment of any taxes required by any applicable law (the "Withholding Tax Amount"). In lieu of paying the aggregate Exercise Price, but subject to payment of the Withholding Tax Amount, the Optionee may elect to receive, without payment of cash, in consideration for the surrender of the applicable portion of a then vested and exercisable Option to the Corporation, a number of common shares determined in accordance with the following formula:

$A = B(C - D)/C$ , where:

A = the number of Shares to be issued to the Optionee under the cashless exercise provision;

B = the number of Shares otherwise issuable upon the exercise of the Option or the portion of the Option being exercised;

C = the closing price of a Share on the TSX on the trading day immediately preceding the date of delivery of a Notice of Cashless Exercise by the Optionee to the Corporation, rounded up to the nearest whole cent.

D = the Exercise Price.

The Company does not provide financial assistance to an Optionee and does not have a provision for such under the Option Plan.

Unless the Board determines otherwise and subject to any accelerated termination in accordance with the 2015 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 2015 Option Plan at any time, or amend or revise the terms of the 2015 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 2015 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 2015 Option Plan or to eliminate any ambiguity or correct or supplement any provision contained in the 2015 Option Plan which may be incorrect or incompatible with any other provision of the 2015 Option Plan;
  - (iii) changing the terms and conditions governing any Option(s) granted under the 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Option Plan, except in connection with an adjustment made in accordance with the 2015 Option Plan's adjustment provisions;

- (iii) any reduction in the Exercise Price of an Option granted under the 2015 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 2015 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 2015 Option Plan limiting Insider participation to increase participation by Insiders; and
- (vi) any amendment to the provisions of the 2015 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 2015 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.

#### *Shareholder Approval*

At the Meeting, the Shareholders will be asked to pass the following ordinary resolution approving the 2015 Option Plan and all unallocated Options under the 2015 Option Plan. To be effective, such resolution must be approved by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting:

#### **BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

- (a) the 2015 Option Plan substantially in the form attached as Schedule A to the Management Proxy Circular of the Corporation dated May 15, 2018, be and is hereby authorized, approved, ratified and confirmed, subject to any amendments that may be required by the TSX;
- (b) all unallocated Options under the 2015 Option Plan are hereby approved;
- (c) the Corporation be and shall have the authority to grant Options pursuant to and subject to the terms and conditions of the 2015 Option Plan until June 15, 2021, which is three years from the date of the meeting of Shareholders at which this resolution was passed; and
- (d) any one director or officer of the Corporation be and is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and to deliver all such agreements, instruments, amendments, certificates and other documents and to perform all such acts or things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution by such director or officer and delivery of any such agreement, instrument, amendment, certificate or other document or the performance of any such other act or thing being conclusive evidence of such determination.

If Shareholder approval is not obtained at the Meeting, the 2015 Option Plan will continue to be in full force and effect and all Options issued thereunder will continue unaffected. However, pursuant to the rules of the TSX, all unallocated Options under the 2015 Option Plan will be cancelled as of June 15, 2018 and the Corporation will not be able to issue any additional Options under the 2015 Option Plan.

**The Board recommends that Shareholders vote FOR the approval of the 2015 Option Plan and all unallocated Options under the 2015 Option Plan. Unless otherwise directed, the management proxy nominees named in the accompanying form of proxy to this Management Proxy Circular intend to vote the Common Shares represented thereby FOR the approval of the resolution set forth above.**

#### **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 eight 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 "insider" 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, William Mulrow, John Boehner and Gillian Winckler, are considered by the Board to be "independent" within the meaning of NI 52-110. To ensure the Board functions independently of management a Lead Director (Robert Wares) was appointed.

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

Richard W. Warke	Titan Mining Corporation and Armor Minerals Inc.
James Gowans	Cameco Corporation and UEX Corporation
Robert P. Wares	Osisko Metals Incorporated, Osisko Mining Inc., Komet Resources Inc. and Beaufield Resources Inc.
Donald Siemens	Atlantic Gold Corporation, Hansa Resources Limited, Eros Resources Corp., Skeena Resources Ltd. and Beaufield Resources Inc.
William Mulrow	Consolidated Edison, Inc. and JBG Smith Properties.
Gillian Winckler	West Fraser Timber Co. Ltd. and Pan American Silver Corp.

The Board will hold regularly scheduled meetings at least four times per year. The independent directors of the Corporation may hold scheduled meetings at which non-independent directors and members of management are not in attendance to facilitate open and candid discussion among the independent directors. During the calendar year ended December 31, 2017 the Audit Committee held four meetings; the Compensation Committee held one meeting and Nominating and Corporate Governance Committee held two meetings.

During the calendar year ended December 31, 2017 the Board held four meetings, which were attended as follows:

Richard W. Warke	attended 4 of the 4 Board meetings held during the year.
Donald Taylor	attended 4 of the 4 Board meetings held during the year.
James Gowans	attended 4 of the 4 Board meetings held during the year.
Robert P. Wares	attended 4 of the 4 Board meetings held during the year.
Donald Siemens	attended 4 of the 4 Board meetings held during the year.
Poonam Puri	attended 4 of the 4 Board meetings held during the year.
William Mulrow <sup>(1)</sup>	attended 2 of the 2 Board meetings held since appointed.
John Boehner <sup>(1)</sup>	attended 2 of the 2 Board meetings held since appointed.
Gillian Winckler <sup>(2)</sup>	attended 1 of the 1 Board meeting held since appointed.

(1) Appointed to the Board on June 8, 2017.

(2) Appointed to the Board on October 24, 2017.

### **Term Limits**

The directors of the Corporation are elected annually and hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. No term limits have been adopted for directors so far. However, the Company may consider adopting term limits for directors in the future.

### **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 Chair of the Board, or for the Chair 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.arizonamining.com](http://www.arizonamining.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.

In identifying new candidates for the Board, the Nominating and Corporate Governance Committee will consider what competencies and skills the Board, as a whole, should possess and assess what competencies and skills each existing director possesses, considering the Board as a group, and the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. It will be the responsibility of the Nominating and Corporate Governance Committee to regularly evaluate the overall effectiveness of the Board, the Chair of the Board and all Board committees and their chairs.

During fiscal 2017 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.

A copy of the Charter of the Nominating and Corporate Governance Committee setting out its mandate and responsibilities and the duties of its members is available on the Corporation's website at [www.arizonamining.com](http://www.arizonamining.com).

### ***Diversity***

The Board recognizes that a diverse and talented workforce is a competitive advantage and that the Corporation's success is the result of the quality and skills of its people. The Nominating and Corporate Governance Committee of the Board values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees to be made by the Nominating and Corporate Governance Committee will be based on merit and past performance as well as expected contribution to the Board's performance and, accordingly, diversity will be taken into consideration.

The Board similarly believes that having a diverse and inclusive organization overall is beneficial to the Corporation's success and is committed to diversity and inclusion at all levels of the Corporation to ensure that the Corporation attracts, retains and promotes the brightest and most talented individuals. The Corporation has recruited and selected senior management candidates that represent a diversity of business understanding, personal attributes, abilities and experience.

Two of the Corporation's executive officers are women, representing 16% of the executive officers, and two of the Corporation's directors are women, representing 22% of the Board. The Corporation does not currently have a formal policy for the representation of women on the Board or senior management of the Corporation. The Nominating and Corporate Governance Committee will, and the Corporation's senior executives already do, take gender and other diversity representation into consideration as part of their overall recruitment and selection process. The Corporation has not adopted targets for gender or other diversity representation on the Board or in executive officer positions in part due to the need to consider a balance of criteria for each individual appointment and due to the size of the Board and stage of development of the Corporation. The Corporation does not believe that quotas or strict rules set out in a formal policy would result in improved identification or selection of the best candidates at this stage. Quotas based on specific criteria would limit the Corporation's ability to ensure that the overall composition of the Board and senior management meets the needs of the Corporation and the Corporation's shareholders.

The Corporation anticipates that the composition of the Board and senior management will in the future be shaped by the selection criteria established by the Nominating and Corporate Governance Committee. This will be achieved through developing a list of evolving selection criteria, ensuring that diversity considerations are taken into account in filling Board vacancies and senior management positions, monitoring the level of female representation on the Board and in senior management positions, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that the Corporation's most talented employees are promoted from within the Corporation, all as part of the Corporation's overall recruitment and selection process to fill Board or senior management positions as the need arises.

### ***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 2017, 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.

A copy of the Charter of the Compensation Committee setting out its mandate and responsibilities and the duties of its members will be available on the Corporation's website at [www.arizonamining.com](http://www.arizonamining.com).

***Other Board Committees***

During fiscal 2017, the Board had the following standing committees comprised of independent directors: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee.

<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating &amp; Corporate Governance Committee</b>
Don Siemens (Chair) Robert Wares William Mulrow	Poonam Puri (Chair) Don Siemens William Mulrow	Robert Wares (Chair) Poonam Puri Don Siemens

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 28, 2018 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, 2017 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, 2017. 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 15, 2018

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"James Gowans"*  
James Gowans  
President and Chief Executive Officer

**SCHEDULE A**



**STOCK OPTION PLAN**

**ARIZONA MINING INC.  
(the "Company")**

**Amended and Restated as of May 27, 2015**

**ARTICLE 1**  
**INTRODUCTION**

**1.1**            **Purpose of Plan**

The purpose of the Plan is to secure for the Company and its shareholders the benefits of the incentives inherent to share ownership by directors, officers, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for Company's future growth and success.

**1.2**            **Definitions**

- (a)        “**Adjustment Provisions**” has the meaning set out in Section 2.20.
- (b)        “**Associate**” has the meaning ascribed thereto in the Securities Act.
- (c)        “**Black Out Period**” means any period during which a policy of the Company prevents an Optionee from trading in the Company's securities.
- (d)        “**Board**” means the board of directors of the Company, or any committee of the board of directors to which administration of the Plan has been delegated.
- (e)        “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, on which commercial banks in the City of Vancouver are open for business;
- (f)        “**Change of Control**” means the occurrence of any of the following events:
  - (i)        any one person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company;
  - (ii)       any combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor;  
or
  - (iii)      the Board adopts a resolution to the effect that the circumstances in clause (i) or (ii) of this definition have occurred or are imminent,where such person or combination of persons referred to in clause (i) or (ii) of this definition did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding holding more than 20% of the voting shares of the Company or its successor is deemed to materially affect control of the Company or its successor.
- (g)        “**Company**” means Arizona Mining Inc., a corporation duly incorporated under the laws of the Province of British Columbia, and includes any successor corporation thereto.
- (h)        “**Consultant**” means a "consultant" (as such term is defined in NI 45-106) that has been engaged to provide services to the Company or any of its Subsidiaries for an initial, renewable or extended period of 12 months or more.
- (i)        “**Director**” means a director of the Company or any of its Subsidiaries.

- (j) “**Eligible Person**” means any Director, Officer, Employee, Management Company Employee or Consultant, and includes a company that is wholly-owned by such persons.
- (k) “**Employee**” means an individual who is a *bona fide* employee of the Company or any Subsidiary of the Company and includes a *bona fide* permanent part-time employee of the Company or any Subsidiary of the Company.
- (l) “**Exchange**” means the TSX or, if the Board in its discretion so determines, any other stock exchange or quotation system on which the Shares are, at the relevant time, listed or quoted for trading;
- (m) “**Exercise Price**” in respect of an Option, means the price per share at which Shares may be purchased under such Option, as the same may be adjusted from time to time in accordance with the Adjustment Provisions.
- (n) “**Expiry Date**” in respect of an Option, means the date determined by the Board at the time of grant on which the Option will expire.
- (o) “**Heir**” has the meaning set out in Section 3.2.
- (p) “**Insider**” has the meaning ascribed thereto in the TSX Company Manual.
- (q) “**Management Company Employee**” means an individual who (i) is a *bona fide* employee of a company that has been engaged to provide management services or support to the Company or any of its Subsidiaries under a written contract for an initial, renewable or extended period of 12 months or more and (ii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its Subsidiaries.
- (r) “**NI 45-106**” means National Instrument 45-106 - *Prospectus and Registration Exemptions* of the Canadian Securities Administrators, as amended from time to time, or such other successor and/or additional regulatory rules, instruments or policies from time to time of Canadian provincial securities regulatory authorities which may govern the trades of securities pursuant to the Plan.
- (s) “**Notice of Cashless Exercise**” means a notice, substantially in the form set out in Exhibit “C” hereto, or in such other form as may be approved by the Board from time to time, delivered by an Optionee to the Company providing notice of the cashless exercise of an Option previously granted to the Optionee pursuant to Section 2.8 of the Plan.
- (t) “**Notice of Exercise**” means a notice, substantially in the form set out in Exhibit “B” hereto, or in such other form as may be approved by the Board from time to time, delivered by an Optionee to the Company providing notice of the exercise or partial exercise of an Option previously granted to the Optionee.
- (u) “**Offer**” has the meaning set out in Section 2.16.
- (v) “**Officer**” means a senior officer of the Company or any of its Subsidiaries.
- (w) “**Option**” means an option to purchase Shares granted under the Plan.
- (x) “**Optioned Shares**” has the meaning set out in Section 2.16.
- (y) “**Optionee**” means a Participant to whom an Option has been granted under the Plan.
- (z) “**Participant**” means an Eligible Person who elects to participate in the Plan.

- (aa) “**Plan**” means this amended and restated stock option plan, as the same may be further amended, restated, modified or supplemented from time to time.
- (bb) “**Securities Act**” means the *Securities Act* (British Columbia), R.S.B.C., 1996 c.418, as amended from time to time.
- (cc) “**Share Compensation Arrangement**” means the Plan and any other stock option, stock option plan, employee stock purchase plan, share distribution plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more Eligible Persons.
- (dd) “**Shareholders**” means the holders of Shares.
- (ee) “**Shares**” means the common shares of the Company.
- (ff) “**Stock Option Plan Certificate**” means the option certificate delivered by the Company to an Optionee, substantially in the form set out in Exhibit “A” hereto or in such other form as may be approved from time to time by the Board.
- (gg) “**Subsidiary**” has the meaning ascribed thereto in the Securities Act.
- (hh) “**TSX**” means The Toronto Stock Exchange.
- (ii) “**TSX Company Manual**” means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same.
- (jj) “**U.S. Option Holder**” means an Option Holder who is a U.S. Person or who is holding or exercising Options in the United States.
- (kk) “**U.S. Person**” has the meaning set forth in Rule 902(k) of Regulation S under the U.S. Securities Act and generally includes, but is not limited to, any natural person resident in the United States, any partnership or corporation organized under the laws of the United States and any estate or trust of which any executor, administrator or trustee is a U.S. Person.
- (ll) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.
- (mm) “**Withholding Tax Amount**” has the meaning set out in Section 3.8.

### 1.3 Construction

In the Plan, unless otherwise expressly stated or if the context otherwise requires:

- (a) the division of the Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Plan;
- (b) the terms "the Plan", "herein", "hereby", "hereof" and "hereunder" and similar expressions refer to the Plan in its entirety and not to any particular provision hereof;
- (c) references to Articles and Sections followed by a number or letter refer to the specified articles and sections of the Plan;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word "including" is deemed to mean "including without limitation"; and



- (f) whenever the Board is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board.

## **ARTICLE 2** **STOCK OPTION PLAN**

### **2.1 Participation**

The Board may, from time to time, in its discretion, subject to the provisions of the Plan, grant Options to Eligible Persons.

### **2.2 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to such Eligible Persons as the Board deems appropriate and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

### **2.3 Exercise Price**

The Exercise Price for each Share subject to an Option shall be determined by the Board, in its discretion, at the time of the Option grant, which Exercise Price will not be lower than the last closing price of a Share on the Exchange preceding the time of the Option grant, rounded up to the nearest whole cent. If the Exercise Price of an Option is expressed in a different currency than the closing price of a Share on the Exchange, the closing price will be converted into the currency of the Exercise Price using the Bank of Canada noon rate of exchange on the trading day immediately preceding the date of the Option grant.

### **2.4 Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

### **2.5 Stock Option Plan Certificate**

Each Option granted to an Optionee shall be evidenced by a Stock Option Plan Certificate detailing the terms of the Option. Upon the delivery of a Stock Option Plan Certificate to an Optionee by the Company, the Optionee shall have the right to purchase the Shares underlying the Option at the Exercise Price set out therein, subject to any provisions with respect to the vesting of the Option and the provisions of the Plan.

### **2.6 Terms of Options**

The periods during which Options may be exercised and the number of Options which may be exercised in any given period shall be determined by the Board at the time of granting Options. Unless the Board determines otherwise and subject to any accelerated termination in accordance with the Plan, each Option shall 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.

### **2.7 Exercise of Option**

Subject to the provisions of the Plan and any vesting provisions to which the Option may be subject, an Option that has vested may be exercised from time to time by delivery to the Company of a completed Notice of Exercise, specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the aggregate Exercise Price for such Shares and any amount required by the Company pursuant to Section 3.8 as a condition to the exercise of the Option. Certificates for such Shares shall be

issued and delivered to the Optionee within a reasonable time following the receipt of such Notice of Exercise and payment.

## **2.8 Cashless Exercise of Option**

In lieu of paying the aggregate Exercise Price to purchase Shares as set forth in Section 2.7, but subject to Section 3.8, the Optionee may elect to receive, without payment of cash, in consideration for the surrender of the applicable portion of a then vested and exercisable Option to the Company, a number of Shares determined in accordance with the following formula:

$$A = B (C - D)/C,$$

where:

A = the number of Shares to be issued to the Optionee pursuant to this Section 2.8;

B = the number of Shares otherwise issuable upon the exercise of the Option or the portion of the Option being exercised;

C = the closing price of a Share on the Exchange on the trading day immediately preceding the date of delivery of a Notice of Cashless Exercise by the Optionee to the Company, rounded up to the nearest whole cent.

D = the Exercise Price.

If the Exercise Price of an Option is expressed in a different currency than the closing price of a Share on the Exchange, the closing price will be converted into the currency of the Exercise Price using the Bank of Canada noon rate of exchange on the trading day immediately preceding the date of the Option grant.

## **2.9 Hold Period**

Shares issued upon the exercise of an Option may be subject to a hold period imposed by the TSX or under applicable securities laws, in which case the certificates representing such Shares shall be legended accordingly.

## **2.10 Vesting**

Options granted pursuant to the Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board on the date of the Option grant, and as indicated in the Stock Option Plan Certificate. The Board in its discretion may accelerate the date upon which any Option vests and becomes exercisable. No unvested Options may be exercised by an Optionee.

## **2.11 Black Out Periods**

If the date on which an Option held by an Optionee is scheduled to expire occurs during, or within 10 Business Days after the last day of, a Black Out Period applicable to such Optionee, then the date on which such Option will expire shall be extended to the last day of such 10 Business Day period.

## **2.12 Death of Optionee**

If an Optionee ceases to be an Eligible Person by reason of death, any Options held by such Optionee on the date of his death shall only be exercisable by the Heir of such Optionee. All such Options shall be exercisable only (i) to the extent that the Optionee was entitled to exercise such Options on the date of his death and (ii) until the one-year anniversary of the death of the Optionee or the Expiry Date of the Option, whichever is earlier.

### **2.13 Permanent Disability of Optionee**

If an Optionee ceases to be an Eligible Person while on permanent disability (which determination shall be made by the Board in its discretion), any Options held by such Optionee shall be exercisable by the Optionee or his legal representatives. Such Optionee's Options shall be exercisable only (i) to the extent that the Optionee was entitled to exercise such Option on the date the Board determined his permanent disability and (ii) until the Expiry Date of the Option.

### **2.14 Termination for Cause**

If an Employee, Management Company Employee or Officer is dismissed for cause (for this purpose, as determined by the Board in its discretion, or if applicable, as defined in the applicable person's employment agreement) or a consulting agreement or arrangement is terminated by the Company or any of its Subsidiaries as a result of a breach or default committed thereunder by a Consultant (as determined by the Board in its discretion, and whether or not such termination is effected in compliance with any termination provisions contained in the applicable consulting agreement or arrangement), any Options (whether vested or unvested) held by the Employee, Management Company Employee, Officer or applicable Consultant, as the case may be, shall terminate immediately upon receipt by the Optionee (or consulting firm, if applicable) of notice of such dismissal or termination and shall no longer be exercisable as of the date of such notice (or, if applicable, such other period set out in the Optionee's employment or consulting agreement or arrangement or prescribed by law).

### **2.15 Termination of Employment, Term of Office or Agreement**

If an Optionee ceases to be an Eligible Person (including upon the expiry of a consulting or management services agreement or arrangement), other than in the circumstances described in Section 2.12, 2.13 or 2.14, any Options held by such Optionee on the date the Optionee ceases to provide services to the Company or any of its Subsidiaries shall be exercisable only (i) to the extent that the Optionee is entitled to exercise such Options as of such date and (ii) until the 30th day after such date (or such other period as may be determined by the Board in its discretion, set out in the Optionee's employment or consulting agreement or arrangement, if applicable, or prescribed by law) or the Expiry Date of the Option, whichever is earlier.

### **2.16 Effect of Take-Over Bid**

If a *bona fide* take-over bid (as such term is defined in the Securities Act, and referred to herein as an “Offer”) for Shares is made, which Offer, if successful, would result in a Change of Control, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board may, in its discretion, amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of any outstanding Option or the Plan, each outstanding Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “Optioned Shares”) pursuant to the Offer. If:

- (a) the Offer expires or is withdrawn and no Shares are taken up pursuant to the Offer;
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect of the Offer;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall, subject to applicable laws, be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of such Option as set forth in the Plan and the applicable Stock Option Plan Certificate shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the Exercise Price paid for such Optioned Shares without interest or deduction.

**2.17**                    **Effect of Reorganization, Amalgamation or Merger**

If the Company is reorganized, amalgamated or merges or combines with or into another person or completes a plan of arrangement, then, at the discretion of the Board, the Optionee shall be entitled to receive upon the subsequent exercise of his Option in accordance with the terms thereof, and shall accept in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, the aggregate number or amount of securities, property, cash and/or any other consideration the Optionee would have been entitled to receive as a result of such transaction if, on the record date of such transaction, the Optionee had been the registered holder of the number of Shares to which he was theretofore entitled upon the exercise of his Option, and such adjustment shall be binding for all purposes of the Plan.

**2.18**                    **Effect of Change of Control**

If a Change of Control occurs the Board may in its discretion, (a) amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of any outstanding Option or the Plan, such that any outstanding Option may be exercised in whole or in part by the Optionee and/or (b) 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.

**2.19**                    **Adjustment in Shares**

If there is any change in the Shares resulting from or by means of a declaration of stock dividends, or any consolidation, subdivision or reclassification of the Shares, or otherwise, the number of Shares subject to any Option, the Exercise Price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1(a) shall be adjusted appropriately by the Board in its discretion and such adjustment shall be effective and binding for all purposes of the Plan.

**2.20**                    **Effect of an Adjustment**

Any adjustment under Section 2.17 or Section 2.19 (collectively, the “**Adjustment Provisions**”) will take effect at the time of the event giving rise to such adjustment. The Adjustment Provisions are cumulative. The Company will not be required to issue fractional Shares in satisfaction of its obligations under the Plan. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the Exercise Price or number of Shares deliverable upon the exercise of an Option as a result of any of the events set out in Section 2.16, 2.17, 2.18, 2.19 or 2.20 such questions will be conclusively determined by the Company’s auditors, or, if they decline to so act, any other firm of chartered accountants that the Board may designate and who will have access to all appropriate records of the Company, and such determination will be binding upon the Company and all Optionees.

**ARTICLE 3**  
**GENERAL**

**3.1**                    **Maximum Number of Shares**

- (a) The aggregate number of Shares that may be reserved for issuance pursuant to the Plan and all other Share Compensation Arrangements shall not exceed 10% of the number of Shares issued and outstanding from time to time.
- (b) Any Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option. No fractional Shares may be issued under the Plan.

- (c) Upon the partial or full exercise of an Option, the Shares issued upon such exercise automatically become available to be made the subject of a new Option, provided that the total number of Shares reserved for issuance under the Plan does not exceed 10% of the number of Shares then issued and outstanding.
- (d) The aggregate number of Shares reserved for issuance pursuant to the Plan or any other Share Compensation Arrangement to any one Participant shall not exceed 5% of the number of Shares issued and outstanding at any time.
- (e) The aggregate number of Shares issuable pursuant to the Plan or any other Share Compensation Arrangement to Insiders shall not exceed 10% of the number of Shares issued and outstanding at any time.
- (f) The aggregate number of Shares issued to Insiders pursuant to the Plan or any other Share Compensation Arrangement, within any one-year period, shall not exceed 10% of the number of Shares then issued and outstanding.

### **3.2 Transferability**

Options are non-assignable and non-transferable. During the lifetime of the Optionee, an Option granted to the Optionee shall be exercisable only by the Optionee and, upon the death of an Optionee, the person to whom the Optionee's rights shall have passed by testate succession or by the laws of descent and distribution (the "Heir") may exercise any Option in accordance with the provisions of Section 2.12, as applicable. Any attempt to otherwise assign or transfer an Option (or any interest therein) shall be null and void.

### **3.3 Employment**

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries, to terminate the Optionee's employment at any time. Participation in the Plan by an Optionee is voluntary.

### **3.4 No Shareholder Rights**

An Optionee shall not have any of the rights or privileges of a Shareholder with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms thereof and the Plan (including tendering payment in full of the aggregate Exercise Price for the Shares in respect of which the Option is being exercised) and the issuance of the Shares by the Company.

### **3.5 Record Keeping**

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to each Optionee, the details of each Option granted and the number of Options outstanding.

### **3.6 Necessary Approvals**

Notwithstanding any of the provisions contained in the Plan or in any Option, the Company's obligation to issue Shares to an Optionee upon the exercise of an Option shall be subject to the following:

- (a) completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental authority or stock exchange as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on the TSX or any other stock exchange on which the Shares may then be listed for trading; and

- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In connection with the foregoing, the Company shall, to the extent necessary, take all steps determined by the Board in its discretion to be reasonable to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the TSX or any other stock exchange on which the Shares are then listed for trading. If any Shares cannot be issued to an Optionee for any reason, including the failure to obtain the aforementioned approvals, registrations and qualifications, then the obligation of the Company to issue such Shares shall terminate (without penalty or payment of any compensation or damages) and any Exercise Price paid by an Optionee to the Company shall be returned to the Optionee without interest or deduction.

### **3.7 Administration of the Plan**

The Board is authorized to administer and interpret the Plan and to from time to time adopt, amend and rescind rules and regulations relating to the Plan; provided that the Board shall be entitled to delegate such administration to a committee of the Board. The interpretation and construction of any provision of the Plan by the Board shall be conclusive and binding on the Company and other persons. Day-to-day administration of the Plan shall be the responsibility of the appropriate Officers and all costs in respect thereof shall be paid by the Company.

### **3.8 Taxes**

Upon the exercise of an Option, the Optionee shall make arrangements satisfactory to the Company regarding the payment of any taxes required by any applicable law to be paid in connection with the exercise of the Option. In order to satisfy the Company's or any Subsidiaries' obligation, if any, to remit an amount to a taxation authority on account of the Optionee's taxes in respect of the exercise or other disposition of an Option (the "**Withholding Tax Amount**"), each of the Company and applicable Subsidiary shall have the right, in its discretion, to:

- (a) withhold amounts from any amount or amounts owing to the Optionee, whether under this Plan or otherwise;
- (b) require the Optionee to pay to the Company the Withholding Tax Amount as a condition to the exercise of the Option by the Optionee; or
- (c) withhold from the Shares otherwise deliverable to the Optionee upon the exercise of the Option such number of Shares as have a market value not less than the Withholding Tax Amount and cause such withheld Shares to be sold on the Optionee's behalf to fund the Withholding Tax Amount, provided that any proceeds from such sale in excess of the Withholding Tax Amount shall be promptly paid over to the Optionee.

Notwithstanding the foregoing, nothing shall preclude the Company and the Optionee from agreeing to use a combination of the methods described in this Section 3.8 or some other method to fund the Withholding Tax Amount.

### **3.9 Amendment or Discontinuance of the Plan**

The Board may from time to time, subject to applicable law and any required approval of the TSX, any other stock exchange on which the Shares are then listed for trading or any other regulatory authority having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted thereunder and the Stock Option Plan Certificate relating thereto; provided, however, that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect the rights of an Optionee under any Option previously granted under the Plan without the consent of that Optionee.

- (a) For greater certainty and without limiting the generality of the foregoing, Shareholder approval shall not be required for the following amendments, subject to any regulatory approvals, including, where required, the approval of the TSX:
- (i) amendments to the 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 Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof;
  - (iii) changing the terms and conditions governing any Option(s) granted under the 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 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 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 Company to Optionees to facilitate the purchase of Shares under the Plan, or adding or removing any provisions providing for such financial assistance;
  - (viii) amendments to the cashless exercise feature set out in Section 2.8;
  - (ix) the addition of or amendments to any provisions necessary for Options to qualify for favourable tax treatment to Optionees or the Company under applicable tax laws or otherwise address changes in applicable tax laws;
  - (x) amendments relating to the administration of the 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 Shares trade from time to time.
- (b) Notwithstanding anything contained in the Plan to the contrary, no amendment requiring the approval of the Shareholders under applicable law or the rules or policies of any stock exchange upon which the Shares trade from time to time shall become effective until such approval is obtained. In addition to the foregoing, the approval the Shareholders by ordinary resolution shall be required for:
- (i) any amendment to the provisions this Section 3.9 that is not an amendment within the nature of Sections 3.9(a)(i) and 3.9(a)(ii);

- (ii) any increase in the maximum number of Shares that can be issued under the Plan, except in connection with an adjustment made in accordance with the Adjustment Provisions;
- (iii) any reduction in the Exercise Price of an Option granted under the 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 Adjustment Provisions;
- (iv) any amendment to extend the expiry of an Option beyond its original Expiry Date;
- (v) any amendment to Section 3.1(e) or Section 3.1(f) to increase participation by Insiders; and
- (vi) any amendment to the provisions of the Plan that would permit Options to be transferred or assigned other than for normal estate settlement purposes,

provided further that, in the case of any amendment or variance referred to (I) in clause (v) of this Section 3.9(b), Insiders are not eligible to vote their Shares in respect of the required approval of the Shareholders, and (II) in clauses (iii), (iv) or (vi) of this Section 3.9(b), Insiders who shall benefit from such amendment or variance are not eligible to vote their Shares in respect of the required approval of the Shareholders.

### **3.10 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

### **3.11 Interpretation**

The Plan and all other agreements entered into pursuant to the Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

### **3.12 Compliance with Applicable Law**

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

### **3.13 Effective Date**

The Plan (as amended and restated) shall only become effective upon the approval of the Board by ordinary resolution. Unless and until the Board approves the Plan (as amended and restated), the amended and restated stock option plan dated as of May 28, 2012 will continue to be in full force and effect.

### **3.14 Application of U.S. Securities Laws**

Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be purchased pursuant to the exercise of Options have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America, unless the Company has made a determination to register such Shares or Options. Accordingly, any Participant who is or becomes a U.S. Option Holder, who is granted an Option in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the Options be deemed to represent, warrant, acknowledge and agree that:



- (a) the Participant is acquiring the Options and any Shares acquired upon the exercise of such Options as principal and for the account of the Participant;
- (b) in granting the Options and issuing the Shares to the Participant upon the exercise of such Options, the Company is relying on the representations and warranties of the Participant contained in this Plan relating to the Options to support the conclusion of the Company that the granting of the Options and the issue of Shares upon the exercise of such Options do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing shares issued upon the exercise of such Options to a U.S. Option Holder shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that if such Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

"The undersigned (A) acknowledges that the sale of \_\_\_\_\_ common shares represented by Certificate Number(s) \_\_\_\_\_, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S (“Regulation S”) under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a “designated offshore securities market” within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off"

the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.”;

- (d) other than as contemplated by subsection (c) of this Section 3.14, prior to making any disposition of any Shares acquired pursuant to the exercise of such Options which might be subject to the requirements of the U.S. Securities Act, the U.S. Option Holder shall give written notice to the Company describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Company to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by subsection (c) of this Section 3.14, the U.S. Option Holder will not attempt to effect any disposition of the Shares owned by the U.S. Option Holder and acquired pursuant to the exercise of such Options or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Company that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States of America and then will only dispose of such Shares in the manner so proposed;
- (f) the Company may place a notation on the records of the Company to the effect that none of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such Options shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such Options is such that the U.S. Option Holder may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 3.14.

#### **ARTICLE 4**

#### **OPTIONS GRANTED TO U.S. PARTICIPANTS**

##### **4.1**        **Definitions**

- (a) The following definitions will apply solely for purposes of this Article 4.
- (b) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended.
- (c) “**Disability**” means, with respect to any U.S. Participant, that such U.S. Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted, or can be expected to last, for a continuous period of not less than twelve (12) months. The preceding definition of the term “Disability” is intended to comply with, and will be interpreted consistently with, sections 22(e)(3) and 422(c)(6) of the Code.
- (d) “**ISO Employee**” means a person who is an employee of the Company (or of any Parent or Subsidiary) for purposes of section 422 of the Code.

- (e) “**Fair Market Value**” means, with respect to any property (including, without limitation, any Share), the fair market value, as of a given date, of such property, determined by such methods or procedures as are established from time to time by the Board. Unless otherwise determined by the Board, the fair market value of a Share as of a given date will be the closing price of the Company’s Shares traded through the facilities of the Exchange (or, if the Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the Shares are listed or quoted for trading) on the day preceding the date the Shares are to be valued.
- (f) “**Grant Date**” means, with respect to any Option, the date on which the Board makes the determination to grant such Option or any later date specified by the Board.
- (g) “**Incentive Stock Option**” means an Option that is intended to qualify as an “incentive stock option” pursuant to section 422 of the Code.
- (h) “**Nonqualified Stock Option**” means an Option that is not an Incentive Stock Option.
- (i) “**Parent**” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each corporation in such chain (other than the Company) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The preceding definition of the term “Parent” is intended to comply with, and will be interpreted consistently with, section 424(e) of the Code.
- (j) “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each corporation (other than the last corporation) in such chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The preceding definition of the term “Subsidiary” is intended to comply with, and will be interpreted consistently with, section 424(f) of the Code.
- (k) “**U.S. Participant**” means a Participant who is a citizen of the United States or a resident of the United States, in each case as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code.
- (l) “**10% Shareholder**” means any person who owns, taking into account the constructive ownership rules set forth in section 424(d) of the Code, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or of any Parent or Subsidiary).

#### **4.2 Terms and Conditions of Options Granted to U.S. Participants**

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to Options granted to a U.S. Participant.

- (a) The number of Shares available for granting Incentive Stock Options under the Plan may not exceed 2,200,000. For greater certainty, such number of Shares is a subset of, and not in addition to, the maximum number of Shares reserved for issuance pursuant to Section 3.1(a).
- (b) The stock option agreement relating to any Option granted to a U.S. Participant shall specify whether such Option is an Incentive Stock Option or a Nonqualified Stock Option. If no such specification is made, the Option will be (a) an Incentive Stock Option if all of the requirements under the Code are satisfied or (b) in all other cases, a Nonqualified Stock Option.
- (c) In addition to the other provisions of this Plan, the following limitations and requirements will apply to an Incentive Stock Option:

- (i) An Incentive Stock Option may be granted only to an ISO Employee (including a director or officer who is also an ISO Employee) of the Company (or any Subsidiary of the Company).
- (ii) The extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the Code, such excess shall be considered Nonqualified Stock Options.
- (iii) The exercise price payable per Share upon exercise of an Incentive Stock Option will not be less than 100% of the Fair Market Value of a Share on the Grant Date of such Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, the exercise price payable per Share upon exercise of such Incentive Stock Option will be not less than 110% of the Fair Market Value of a Share on the Grant Date of such Incentive Stock Option. For greater certainty, the minimum Exercise Price set forth in Section 2.3 will also apply to each Incentive Stock Option.
- (iv) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option will terminate and no longer be exercisable no later than ten years after the date of grant of such Incentive Stock Option; provided, however, that in the case of a grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, such Incentive Stock Option will terminate and no longer be exercisable no later than five years after the date of grant of such Incentive Stock Option;
- (v) To the extent that an Incentive Stock Option is not exercised on or prior to the date that is three (3) months following the date on which the Participant ceases to be employed by the Company (or by any Parent or Subsidiary of the Company), such Option will no longer qualify as an Incentive Stock Option. Notwithstanding the foregoing, if a Participant's termination of employment is due to Disability, to the extent that an Incentive Stock Option is not exercised on or prior to the date that is one year following the date on which the Participant ceases to be employed by the Company (or by any subsidiary of the Company), such Option will no longer qualify as an Incentive Stock Option. For greater certainty, the limitations in this paragraph govern the U.S. federal income tax treatment of an outstanding Option and whether it will continue to qualify as an ISO. Nothing in this paragraph shall have the effect of extending the period during which an Option otherwise may be exercised pursuant to its terms. For purposes of this Section 4.2(c)(v), the employment of a U.S. Participant who has been granted an Incentive Stock Option will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Administrator that does not exceed ninety (90) days in the aggregate; provided, however, that if reemployment upon the expiration of any such leave is guaranteed by contract or applicable law, such ninety (90) day limitation will not apply, or (b) a transfer from one office of the Company (or of any Parent or Subsidiary) to another office of the Company (or of any Parent or Subsidiary) or a transfer between the Company and any Parent or Subsidiary.
- (vi) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant;
- (vii) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned, pledged or

hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution; and

- (viii) No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company.
- (d) Options granted under the Plan are intended to be exempt from section 409A of the Code. The Plan, and Options granted under the Plan, will be interpreted and administered accordingly.

*[the remainder of this page is intentionally left blank]*

**EXHIBIT "A"**

**ARIZONA MINING INC.**

**STOCK OPTION PLAN CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Amended and Restated Stock Option Plan dated as of May 27, 2015 (the "**Plan**") of Arizona Mining Inc. (the "**Company**") and evidences that \_\_\_\_\_ (the "**Optionee**") is the holder of an option (the "**Option**") to purchase up to \_\_\_\_\_ common shares ("**Shares**") in the capital stock of the Company at a purchase price of \$ \_\_\_\_\_ per Share.

Subject to the provisions of the Plan:

- (a) the Option was awarded to the Optionee as of \_\_\_\_\_ (the "**Award Date**"); and
- (b) the Option shall expire on \_\_\_\_\_ (the "**Expiry Date**").

The right to purchase Shares under the Option shall vest in increments over the term of the Option as follows:

<b>Date</b>	<b>Number of Shares which may be Purchased</b>

The Option may be exercised in accordance with its terms, subject to the provisions of the Plan, at any time and from time to time from and including the Award Date through to and including up to 5:00 pm local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Company a Notice of Exercise or a Notice of Cashless Exercise (as each such term is defined in the Plan), in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Arizona Mining Inc." in an amount equal to the aggregate exercise price of the Shares in respect of which the Option is being exercised. No unvested Options can be exercised.

This Certificate and the Option evidenced hereby are not assignable or transferable and are subject to the terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded as of Award Date.

By signing this Certificate, the Optionee acknowledges that:

- 1. the Optionee has read and understands the Plan and agrees to the terms and conditions of both the Plan and this Certificate;

2. the Optionee is a *bona fide* Director, Officer, Employee, Management Company Employee or Consultant (as each such term is defined in the Plan), as the case may be, and is participating in the Plan voluntarily;
3. in order to satisfy the Company's obligation, if any, to remit a Withholding Tax Amount (as such term is defined in the Plan), the Company has the right to, among other things:
  - (a) withhold amounts from any amount or amounts owing to the Optionee, whether under the Plan or otherwise;
  - (b) require the Optionee to pay to the Company the Withholding Tax Amount as a condition to the exercise of the Option by the Optionee; and
  - (c) withhold from the Shares otherwise deliverable to the Optionee upon the exercise of the Option such number of Shares as have a market value not less than the Withholding Tax Amount and cause such withheld Shares to be sold on the Optionee's behalf to fund the Withholding Tax Amount, provided that any proceeds from such sale in excess of the Withholding Tax Amount shall be promptly paid over to the Optionee;
4. the Optionee consents to the disclosure by the Company of personal information regarding the Optionee to the Toronto Stock Exchange (the "TSX") (or any other stock exchange or quotation system on which the Shares are listed or quoted for trading) and to the collection, use and disclosure of such information by the TSX, as the TSX (or any other stock exchange or quotation system on which the Shares are listed or quoted for trading) may determine; and
5. if the Optionee is a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the Optionee has prepared, executed and delivered herewith a supplemental Acknowledgment and Agreement for U.S. Option Holders substantially in the form provided by the Company (attached hereto as Schedule A), which is true and correct in every material respect as of the date hereof.

The terms "United States" and "U.S. person" are as defined by Rule 902 of Regulation S under the United States Securities Act of 1933, as amended.

The certificate for the Shares shall bear any legend required under applicable securities laws or by the TSX (or any other stock exchange or quotation system on which the Shares are listed or quoted for trading).

**ARIZONA MINING INC.**

by \_\_\_\_\_  
 Name:  
 Title:

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Signature of Optionee

\_\_\_\_\_  
 Name of Witness (Print)

\_\_\_\_\_  
 Name of Optionee (Print)

**SCHEDULE A TO EXHIBIT A**  
**STOCK OPTION PLAN**  
**SUPPLEMENTAL ACKNOWLEDGMENT AND AGREEMENT**  
**(U.S. OPTION HOLDER)**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”) Arizona Mining Inc. (the “**Company**”) has granted to \_\_\_\_\_ (the “**Option Holder**”) an option (the “**Option**”) to acquire \_\_\_\_\_ common shares (“**Shares**”) up to 5:00 p.m., Vancouver Time, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Expiry Date**”) at a purchase price of Cdn\$ \_\_\_\_\_ per share (the “**Exercise Price**”).

The Shares may be acquired as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The grant of the Option evidence hereby is made subject to the terms and conditions of the Amended and Restated Stock Option Plan dated as of May 27, 2015 (the “**Plan**”) of the Company, the terms and conditions of which are hereby incorporated herein.

Neither the Option nor the Shares have been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. The Option may not be exercised in the United States unless registered under the U.S. Securities Act or an exemption from such registration requirement is available. Any Shares issued to the Option Holder in the United States that have not been registered under the U.S. Securities Act will be deemed “restricted securities” (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

The Option Holder acknowledges that the Option is **[not]** intended to qualify as “incentive stock options” in accordance with the terms of Section 422 of Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder. The Option Holder acknowledges that the Company may have federal, state, provincial or local tax withholding and reporting obligations and consents to such actions by the Company as may reasonably be required to comply with such obligations in connection with the exercise of the Option. The acceptance and exercise of the Option and the sale of Shares issued pursuant to exercise of the Option may have consequences under federal, provincial and other tax and securities laws which may vary depending on the individual circumstances of the Option Holder. Accordingly, the Option Holder acknowledges that the Option Holder has been advised to consult the Option Holder’s personal legal and tax advisors in connection with this Agreement and the Option Holder’s dealings with respect to the Option or the Shares.

To exercise your Option, deliver a written Exercise Notice in the form attached as Exhibit B to the Company’s Stock Option Plan, specifying the number of Shares you wish to acquire, together with a certified cheque or bank draft payable to “Arizona Mining Inc.” in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised or deliver a written Exercise Notice in the form attached as Exhibit C to the Company’s Stock Option Plan, specifying the number of Shares you wish to acquire. A certificate for the Shares so acquired will be issued by the transfer agent as soon as possible thereafter.

**ARIZONA MINING INC.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Employee Signature



**EXHIBIT "B"**  
**NOTICE OF EXERCISE**

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

**1. Exercise of Option**

The undersigned hereby irrevocably gives notice pursuant the Amended and Restated Stock Option Plan dated as of May 27, 2015 (the "**Plan**") of Arizona Mining Inc. (the "**Company**") of the exercise of an option (the "**Option**") to purchase common shares ("**Shares**") in the capital stock of the Company at a purchase price of \$\_\_\_\_\_ per Share (the "**Exercise Price**"), and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ Shares

which are the subject of the option certificate attached hereto.

Calculation aggregate Exercise Price for the Shares:

- (a) number of Shares to be acquired on exercise of the Option: \_\_\_\_\_ Shares
- (b) times the Exercise Price: \$\_\_\_\_\_
  
- Aggregate Exercise Price, as enclosed herewith: \$\_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of \$\_\_\_\_\_, payable to "Arizona Mining Inc." in an amount equal to the aggregate Exercise Price, as calculated above, and directs the Company to issue a share certificate evidencing the Shares so purchased in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

In connection with such exercise, the undersigned represents, warrants and covenants to the Company (and acknowledges that the Company is relying thereon) that (**check one**):

- \_\_\_\_ 1. The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the options are not being exercised within the United States or for the account or benefit of a U.S. person. The terms “United States” and “U.S. person” are as defined by Rule 902 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”); or
- \_\_\_\_ 2. The undersigned represents, warrants and covenants to the Company that:
- (a) the undersigned understands and agrees that:
- \_\_\_\_ (i) the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Company in reliance upon an exemption from registration under the U.S. Securities Act; or
- \_\_\_\_ (ii) the Shares have been registered under the U.S. Securities Act and paragraph (c) below does not apply;
- (b) if the undersigned is a U.S. person, the undersigned confirms that the representations and warranties of the undersigned set forth in the Acknowledgement and Agreement for U.S. Option Holders remain true and correct as of the date hereof; and
- (c) unless the shares have been registered under the U.S. Securities Act, the undersigned understands that upon the issuance of the Shares, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. state laws and regulations, the certificates representing the Shares will bear a legend in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided, that if Shares of the Company are being sold under clause (B) above, at a time when the Company is a “foreign issuer” as defined in Rule 902 under the U.S. Securities Act, the legend may be removed by providing a declaration to the Company’s transfer agent in such form as the Company may from time to time prescribe together with such documentation as the Company or its transfer agent may require, to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

The terms "United States" and "U.S. person" are as defined by Rule 902 of Regulation S under the U.S. Securities Act.

DATED the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Name of Optionee (Print)

**EXHIBIT "C"**  
**NOTICE OF CASHLESS EXERCISE**

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

**1. Cashless Exercise of Option**

The undersigned hereby irrevocably gives notice pursuant the Amended and Restated Stock Option Plan dated as of May 27, 2015 (the "**Plan**") of Arizona Mining Inc. (the "**Company**") of the exercise of an option (the "**Option**") to purchase common shares ("**Shares**") in the capital stock of the Company at a purchase price of \$\_\_\_\_\_ per Share (the "**Exercise Price**"), and hereby elects to receive such number of Shares determined pursuant to the formula set out in Section 2.8 of the Plan, based on the following information:

- (a) The number of Shares issuable upon the exercise of the Option or the portion of the Option being exercised: \_\_\_\_\_ Shares
- (b) The Exercise Price: \$\_\_\_\_\_

In connection with such cashless exercise, the undersigned represents, warrants and covenants to the Company (and acknowledges that the Company is relying thereon) that (**check one**):

- \_\_\_\_ 1. The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the options are not being exercised within the United States or for the account or benefit of a U.S. person. The terms "United States" and "U.S. person" are as defined by Rule 902 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"); or
- \_\_\_\_ 2. The undersigned is a U.S. person, was offered the Shares in the United States or the options are being exercised within the United States or for the account or benefit of a U.S. person and the Options have been vested for more than one year and no consideration has been paid on exercise of the Options. The terms "United States" and "U.S. person" are as defined by Rule 902 of Regulation S under the U.S. Securities Act.
- (a) The undersigned understands and agrees that:
- \_\_\_\_ (i) the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Company in reliance upon an exemption from registration under the U.S. Securities Act; or
- \_\_\_\_ (ii) the Shares have been registered under the U.S. Securities Act; and
- (b) If the undersigned is a U.S. person, the undersigned confirms that the representations and warranties of the undersigned set forth in the Acknowledgement and Agreement for U.S. Option Holders remain true and correct as of the date hereof.
- \_\_\_\_ 3. If the options have been vested for less than one year and have not been registered under the U.S. Securities Act, the undersigned represents, warrants and covenants to the Company that:

- (a) the undersigned understands and agrees that the Shares are being offered and sold by the Company in reliance upon an exemption from registration under the U.S. Securities Act;
- (b) if the undersigned is a U.S. person, the undersigned confirms that the representations and warranties of the undersigned set forth in the Acknowledgement and Agreement for U.S. Option Holders remain true and correct as of the date hereof; and
- (c) the undersigned understands that until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. state laws and regulations, the certificates representing the Shares will bear a legend in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided, that if Shares of the Company are being sold under clause (B) above, at a time when the Company is a “foreign issuer” as defined in Rule 902 under the U.S. Securities Act, the legend may be removed by providing a declaration to the Company’s transfer agent in such form as the Company may from time to time prescribe together with such documentation as the Company or its transfer agent may require, to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

The terms “United States” and “U.S. person” are as defined by Rule 902 of Regulation S under the U.S. Securities Act.

DATED the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Name of Optionee (Print)